



Daily Report

China

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General

Jiang Zemin Refutes 'Threat' Allegation

HK2111030094 Hong Kong TA KUNG PAO in Chinese
16 Nov 94 p 2

[Dispatch from Jakarta by staff reporter Chen Chieh-wen (7115 2638 2429): "Jiang Zemin Answers Reporters' Questions in Jakarta; Refutes Remarks on China Posing Threat"]

[FBIS Translated Text] Jakarta, 15 Nov (TA KUNG PAO)—After attending the unofficial summit meeting of the Asia-Pacific Economic Cooperation [APEC] forum in Bogor today, Chinese President Jiang Zemin met reporters at the Jakarta International Conference Center at 1950 this evening, briefing them on how the meeting was going and answering reporters' questions.

In his introductory remarks at the news conference, Jiang Zemin said: Presided over by President Suharto, the APEC unofficial summit meeting was very well conducted and will produce a positive impact on the Asia-Pacific region. We hope that taking this meeting as a turning point, the APEC will adopt positive measures to further promote regional economic cooperation. We favor taking the liberalization of trade and investment in the Asia-Pacific region as a long-term goal.

He said: Because the development levels of the APEC member states vary, it is necessary to implement the agreement in stages and on different timetables according to the actual conditions, that is, some may be earlier and others later.

He added: I have met leaders of many countries over the past two days. Such meetings are conducive to deepening understanding, increasing trust, facilitating cooperation, and promoting development of bilateral relations.

Jiang Zemin then answered questions by reporters from various places. Excerpts of the questions and answers are as follows:

[HONGKONG STANDARD reporter] Did you talk about the Hong Kong issue during your meetings with other leaders?

[Jiang] No, we did not.

[JAKARTA MAGAZINE reporter] You talked for a long time with Indonesian President Suharto during the meeting this afternoon. What did you talk about? Did you discuss ways to deal with the United States on the human rights issue? How will Hong Kong take part in the Asia-Pacific activities after 1997?

[Jiang] Regarding today's meeting, I should say that before returning from Bogor, President Suharto held a news conference at which he gave a briefing on the meeting. The second question is about Hong Kong. After 1997, Hong Kong will be changed to Hong Kong, China. There should be an agreement in the APEC.

[Japanese reporter] At present, people from the United States and many other Asian countries say that China poses a threat. Can China explain through concrete actions that China has no intention of using military force and operations to expand its influence so that other countries will feel safe?

[Jiang] We always advocate that relations between countries should be maintained under the Five Principles of Peaceful Coexistence. China is currently concentrating its efforts on economic construction. We are still a developing country. Even though China will become more powerful in the next century, we will not seek hegemony under any circumstances. I have talked about this issue in my previous speeches. Our principle is: We hope to have an international environment of peace in which we can engage in our economic construction, so we absolutely do not constitute any threat to other countries. These remarks are understood by the great majority of people except those with particular intentions.

[LOS ANGELES TIME reporter] I hope you would clarify what you said in your introductory remarks that it was necessary to put into effect the agreement reached today in stages. Did China accept the idea that all APEC members should achieve trade liberalization by 2020? When will China implement the agreement reached today?

[Jiang] I should like to repeat that the agreement of the unofficial summit meeting today was reached unanimously through consultation. Therefore, what President Suharto of the host country expressed at the end of the meeting is also our idea.

[TIME reporter] After the meeting between U.S. Trade Representative Mickey Kantor and Wu Yi, China's minister of foreign trade and economic cooperation, Kantor said that it is too late for China to take action to remedy the disagreement between the United States and China on the trade issue in order to be a founding member of the World Trade Organization. Has China any plan to change its position in the bargaining? Does China also think that it is too late to make good the relations between the two countries or is it still possible to iron out the differences?

[Jiang] The restoration of China's seat in GATT is beneficial not only to China but also to other GATT members. It should be said that China must certainly meet the normal requirements for restoring its seat in GATT. I have heard the U.S. side repeat its clear expressions of supporting China's entry into GATT. I would like to see its practical action, which is more important.

[Taiwan CHINA TIMES reporter] Will the event of the mistake shelling of Xiamen from Xiao Jinmen, which occurred a few days ago, affect the relations across the Taiwan Strait? If the goal of trade liberalization is

achieved, what impact will there be on the future and current trade in the form of reexports?

[Jiang] I have been busy with the APEC meeting these two days but I have read RENMIN RIBAO reports on this event. In the meantime, I have heard from a radio station the statement by the Taiwan authorities on this subject. We still have to further study the real situation regarding this event. As to the second question, we always stand for direct exchanges of mail, trade, and air and shipping services across the Taiwan Strait. Therefore, the current meeting will not affect the realization of the abovementioned exchanges, especially in the area of trade. I hope to see better progress in the future.

[U.S. Public Broadcasting Service reporter] Today, a unanimous opinion was reached on the timetable of free trade in the Asia-Pacific region. In the coming years, what role will China play in this region?

[Jiang] China is the country with the largest population and a huge market in the APEC organization. We are engaged in our economic construction. Through the APEC meeting, we not only intensified economic and trade cooperative relations with the member countries of the organization but also expanded such relations with various countries in the world. The Chinese people always regard modesty as a virtue but it is an objective fact that China is the largest developing country. The conditions of our economic development are, I believe, inseparable from the relatively great market potential and from the favorable situation of economic development in China.

[Unidentified reporter] A week ago, you avoided talking about China's agreement to achieve the goal of trade liberalization by 2020 but today you have agreed with the declaration. Why did you change your position? Will China realize trade liberalization by 2020?

[Jiang] This is very simple. It will be inappropriate for me to make irresponsible remarks before a consensus was formed at a meeting of the organization.

[TIME reporter] President Clinton said that he would put forward the issue of human rights during his meeting with you. Did you discuss the human rights issue at the meeting? Has the atmosphere of the meeting improved after the delinking of trade and the human rights issue?

[Jiang] China has consistent views on the human rights issue. This issue will be frequently mentioned. In our opinion, we can discuss matters concerning human rights but we are always against interfering in a country's internal affairs by means of the human rights issue. The high-level contacts between China and the United States, including the meeting with President Clinton in Seattle last year, are instrumental in promoting mutual understanding, expanding cooperation, and pushing forward the cooperation and development of bilateral relations. It is normal that China and the United States have different and divergent views regarding the human rights

issue, on which dialogues and exchanges can be conducted on an equal footing. However, these divergencies should not, on any account, become obstacles to normal contacts between the two countries.

[THE WASHINGTON POST reporter] Have you any reservations about the declaration adopted at today's meeting? Why should China have reservation? Has it anything to do with your efforts to join GATT?

[Jiang] I think your imaginative power is a bit too strong because I myself attended the meeting. Since we eventually adopted such a declaration, it is our unified action. However, at the meeting, everybody could express his own ideas freely. I have relatively summarized the current meeting in my introductory remarks.

[Taiwan TZU LI MORNING POST reporter] As there are a lot of rumors about Deng Xiaoping, can you say something about his health? If Mr. Deng Xiaoping passes away, can the Jiang-Li structure sustain such a big change? How will you react to the change? Taiwan will hold elections for governor at the end of this year and there will be presidential elections next year and the year after next. How does the CPC regard all this?

[Jiang] This is the third time I have been asked the first part of your question since I started this trip. At the news conferences held in Singapore and Malaysia, I was asked about this question. Now that you have raised the question, I have to answer you because you look interested. (The audience bursts into laughter). Since reform and opening up, under the leadership of the second generation of the central leading collective with Comrade Deng Xiaoping at the core, a brand new situation has been initiated in our drive for modernization. We have acquired a very good guiding ideology—building socialism with Chinese characteristics. Moreover, we have defined a very good line—adhering to the four cardinal principles and to reform and opening up with economic construction as a center. Practice has proved that all these are correct. They are sincerely supported by the people of all nationalities and no one can change them even if he wished to. The CPC is the ruling party of our country. We have completed the transference from the second to the third generation of the state's leading collective, which is the fundamental guarantee for a lasting good order. As to the second question you asked just now, I think it is a matter within the Taiwan Island. What we are concerned about is that Taiwan should stick to the stand of one China and oppose the words and deeds for Taiwan independence.

Trade Official Stresses 'Non-Discrimination'

HK2111064794 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Nov 94 p 1

[By Gao Bianhua: "China Seeks Unbiased Trade Pact]

[FBIS Transcribed Text] A senior trade official said non-discrimination should be emphasized as the Asia-Pacific region moves toward its long-term goal of free and open trade.

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Such a principle is "a just and reasonable requirement" for the Asia-Pacific Economic Co-operation [APEC] body, said Li Zhongzhou of the Ministry of Foreign Trade and Economic Co-operation.

Li is director-general of the Department of International Trade and Economic Relations at the ministry.

China proposed a non-discrimination principle to be included in the goal, prompting some countries to criticize it as an "obstacle" to trade liberalization.

Li's comment underscores the country's refusal to accept this assertion, saying that non-discrimination is a fundamental requirement of international trade.

Li said China has clearly shown support for the long-term goal while maintaining that trade liberalization should be implemented on a practical basis to reflect the highly diversified economies and other aspects of Apec members.

"China stands for open regionalism, not increasing barriers against third countries," he said, adding that the free and open trade goal should comply with the principles under Gatt.

"Our purpose is to truly realize free and open trade in the Asia-Pacific region, not to make it a bargaining chip to press less-developed economies into making unilateral trade concessions," Li said.

Chen Junsheng Meets With IFAD Official

OW1911122294 Beijing XINHUA in English 1104 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (XINHUA)—Chinese State Councillor Chen Junsheng met with Donald Brown, vice-president of the International Fund for Agricultural Development (IFAD), here today.

A financial branch of the United Nations, IFAD has financed nine agricultural projects in China since the country joined the organization in 1980.

During the meeting, Chen spoke highly of IFAD's role in promoting the development of rural economy in China's poor areas.

Chen and Brown discussed the fourth replenishment of the fund among other things.

Brown has been here as guest of the Chinese Ministry of Agriculture.

Envoy Urges Banning First Strike Nuclear Weapons Use

OW1911104694 Beijing XINHUA Domestic Service in Chinese 0625 GMT 19 Nov 94

[By reporter Gao Jianxin (7559 1696 2450)]

[FBIS Translated Text] United Nations, 18 Nov (XINHUA)—On 18 November, Ambassador Hou Zhitong,

Chinese representative to the 49th UN General Assembly [UNGA], expressed opinions on the possibility of ruling out the use or threat of use of nuclear weapons.

He said: China fully understands the urgent desire and demand of the large number of nonnuclear countries on banning the use of nuclear weapons. We have persistently advocated the total banning and thorough destruction of nuclear weapons. Since the day it began possessing nuclear weapons, China has solemnly declared that China will not be the first to use nuclear weapons at any time or under any circumstance. China has also pledged not to use or threat to use nuclear weapons against nonnuclear countries or regions. We call on other countries with nuclear weapons to make the same commitment and take part in discussions and sign a treaty on not being the first to use nuclear weapons against others. We are convinced that if these goals can be realized, the possibility of using or threatening to use nuclear weapons will be eliminated in reality.

On 18 November, the UNGA First Committee (Disarmament and International Security Committee) put to vote a draft resolution proposed by nonaligned countries on "requesting the International Court of Justice to express its consultative views concerning the legitimacy of use or threat to use nuclear weapons." Hou Zhitong made the above statement following the vote on the draft resolution.

Minister Warns of International Organized Crime

HK2111120994 Beijing ZHONGGUO XINWEN SHE in English 0908 GMT 21 Nov 94

[FBIS Transcribed Text] Naples, November 21 (CNS)—China's Minister of Justice Xiao Yang made a speech at a minister-level world conference on international organized crime held here today, saying that the current organized crime was showing a trend of internationalization, and aggravated organized multinational crime was threatening China.

Mr. Xiao said recent years had seen overseas criminal gangs infiltrate China continuously, set up criminal organizations and commit offences. These criminals were involved in trafficking of drugs into China or via China, transportation of illegal emigrants, smuggling of Chinese historic relics and precious animals or plants as well as committing economic frauds, which have disrupted public order and economic development in some regions of China, especially in southeast coastal areas.

He disclosed that China smashed more than 150,000 criminal gangs last year, involving over 570,000 members, 24 percent up than the year before. Some gangs of them were changing toward criminal organizations with characteristics of Triads [Hong Kong organized crime gangs]. If China failed to tighten the grip over such organized crime, these criminal gangs might develop

into larger size criminal organizations, even gradually infiltrating lawful trades and industries.

The minister stressed that Chinese government's stance on organized crime had been always firm and consistent, namely hitting them hard. China's legislature had made stipulations on cracking down on criminal groups, joint crimes and trafficking of drugs in a package of criminal legislation, coastal local authorities had also enacted regional laws and regulations. China's legislature was also doing a feasibility research on drawing up a specialized law against organized crime.

He believed effective control and clamp-down on organized multinational crime relied on cooperation and coordination between various countries. He, therefore, suggested at the conference that international cooperation in fields of legislation, information exchange, staff training and crime study should be strengthened.

Li Peng Meets With 15 New, Outgoing Envoys

OW1911095794 Beijing XINHUA in English 0915
GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (XINHUA)—Chinese Premier Li Peng here today met and had a cordial talk with newly-appointed and outgoing ambassadors from 14 countries to China, and Endymion Wilkinson, head of the delegation of the European Commission of the European Union to China.

The ambassadors were the outgoing ambassadors of Canada Fred Bild and Gabon Legnongo-Ndumba Benjamin respectively, as well as the First Ambassador of Angola to China Manuel Bernardo de Souza, and 11 new ambassadors—Vincent Raymond Ombaka-Ekori of the Congo, Kojo Amoo-Gottfried of Ghana, Leonard Vincent Appleyard of Britain, Carl L. Heine of the Marshall Islands, L. Tsahilgaan of Mongolia, Abdelhamid ben Messaouda of Tunisia, Cheikh Sid Ahmed Ould Babamine of Mauritania, Viadimir Viliam Klimo of Slovakia, Romualdo A. Ong of the Philippines, Lebhang K. Moleko of Lesotho and Ashraf Jehangir Qazi of Pakistan.

Li thanked the two outgoing ambassadors for their efforts for the promotion of bilateral relations during their stay in China and said he hoped that they would continue their contributions to further this relationship upon their return home.

Extending his warm welcome to the 13 new ambassadors, Li said that China is undergoing tremendous changes. "It is meaningful for the new ambassadors to witness the reform in China," Li Peng said.

So, he said, the new ambassadors will surely have full schedules and much to do during their sojourns in China.

The premier expressed the hope that they would give an impetus to promoting bilateral cooperation in such areas as the economy, culture, and education during their stay as ambassadors here.

DPRK Freezes Graphite-Moderated Reactors

OW1911171694 Beijing XINHUA in English 1521
GMT 19 Nov 94

[FBIS Transcribed Text] Pyongyang, November 19 (XINHUA)—The Democratic People's Republic of Korea (DPRK) said yesterday that it has totally frozen its graphite-moderated reactors and the related facilities.

A spokesman of the DPRK Foreign Ministry made the announcement to the Korean Central News Agency (KCNA), saying that under the treaty on the non-proliferation of nuclear weapons, DPRK could keep running the graphite-moderated reactors, as well as reprocess the waste fuel rods.

But, he went on to say, considering that it will soon be provided with light water reactors and energy alternatives, DPRK has made a concession beyond the treaty.

As for compliance with the north-south declaration on the de-nuclearization of the Korean peninsula, the spokesman said according to the framework agreement signed between DPRK and the United States in August, DPRK should be considered to have fulfilled its commitments in the declaration.

He said that all the DPRK is required to do in the framework to observe the declaration is to keep the waste fuel rods in security for a certain period of time, seal the radiochemical laboratory, subject it to inspections by the International Atomic Energy Agency (IAEA), and have it destroyed after the construction of light water reactors is completed.

As for what obligations the United States and South Korea have under the declaration, he said that they have much more to do.

U.S., ROK, Japan Discuss DPRK Nuclear Agreement

OW1911165594 Beijing XINHUA in English 1515
GMT 19 Nov 94

[FBIS Transcribed Text] Washington, November 18 (XINHUA)—The United States, the Republic of Korea (ROK) and Japan held a meeting here today to discuss implementation of a nuclear agreement signed by the U.S. and the Democratic People's Republic of Korea (DPRK) in Geneva on October 21.

David Johnson, acting spokesman of the State Department, said in a statement that "these initial discussions were very productive."

He noted that their discussions covered the establishment of a multilateral consortium, tentatively named the Korean Energy Development Organization (KEDO).

The KEDO will carry out activities including provision of the light water reactor project, disposition of spent fuel, and the provision of alternative energy as provided for in the agreement.

The officials of the three countries agreed that the KEDO should be established in the near future, that it should have broad multilateral participation, and that the three countries play a leading role in the organization.

"The ROK will also play a central role in the financing and construction of the light water reactor project," Johnson said.

The three delegations also agreed to meet again in December to continue their discussions, he added.

Experts To Help Iran Build Nuclear Plants

OW2011163294 Beijing XINHUA in English 1518
GMT 20 Nov 94

[FBIS Transcribed Text] Teheran, November 20 (XINHUA)—Iran is to make an investment of 2.3 billion U.S. dollars for construction of four nuclear power plants in the next five years, according to local press today.

Iran's deputy head of Atomic Energy Organization Mehr'alizadeh said that the four nuclear power plants will be built with help of Russian and Chinese experts in the southern provincial city of Bushehr.

He said the work to complete the Bushehr's two atomic power plants has begun with a credit of some 2,000 billion Rials (1.14 billion U.S. dollars) and with the help of Russian experts.

With a total capacity of 1,000 megawatt power, the two plants were first designed and constructed by West Germany under a 7.8 billion marks contract in 1977. Now about 80 percent o ..timeout [sentence as received]

Correction to Spokesman on Law of Sea Convention

OW1711165994

Beijing Xi :HUA Domestic Service in Chinese at 1518 GMT on 17 November transmits a service message correcting an item headlined "Answers Reporters' Questions" published on 17 November in the China DAILY REPORT on page 2.

Page two, column two, paragraph four, second sentence, make read ...force of the Convention on the... (deleting "1982.")

United States & Canada

Li Lanqing Returns Home From Two-Week Visit to U.S.

OW1811085794 Beijing XINHUA in English 0840
GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (XINHUA)—Chinese Vice-Premier Li Lanqing returned

home Wednesday [16 November] night after a two-week official visit to the United States at the invitation of the U.S. Government.

During his stay in the United States, Li met with President Bill Clinton, Vice-President Albert Gore and other senior U.S. officials, and held talks with them on developing the economic and trade relations between the two countries.

In those talks Li expounded the Chinese Government's principle stand on issues related to Sino-U.S. most-favored-nation treatment and the resumption of China's signatory state status in the General Agreement on Tariffs and Trade (GATT) at an early date.

During his visit Li attended and addressed a symposium on Sino-U.S. economic and trade cooperation. He also contacted personages from nongovernmental organizations, and industrial and commercial circles.

Li Peng Meets Dow Jones Chairman, Views Ties

OW1911093794 Beijing XINHUA in English 0851
GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (XINHUA)—Chinese Premier Li Peng said here today that Sino-U.S. ties will develop in a healthy and stable way so long as the two countries strictly observe the established basic principles governing bilateral relations.

Li made the remark this morning when meeting Peter R. Kann, chairman of the Dow Jones Company.

Li said that there is nothing strange in the differences between China and the United States, for the two have different social systems and value concepts.

The important thing is that the two countries should, step by step, seek solutions to such differences through dialogue and consultation on an equal footing, Li said. He noted that the three joint communiques reached between China and the United States have established the basic guidelines for bilateral relations, especially the principles of mutual respect for sovereignty and non-interference in each other's internal affairs.

Li said that strict observance of such principles will provide a fundamental guarantee for a healthy growth of bilateral relations.

On the domestic economic situation, Li said that China's reform and opening to the outside have made great strides, but also face some difficulties and problems.

The Chinese Government has a clear view of such problems and difficulties, and is taking measures to curb price hikes, Li said. The Chinese Government is confident it can control inflation, he added.

Li said that China's securities and stock system is still in a trial stage, and the government has a cautious attitude toward developing such markets.

China will, based on experimentation, gradually set up a standard stock system in line with China's practical conditions, the premier said.

He predicted that China's foreign trade will grow in the next few years, along with the growth of its gross national product, and China's market potential will be realized as the country opens further to the outside and its economy develops.

During the meeting, Kann said that all the members of the board of directors of Dow Jones have been greatly impressed by China's rapid economic development, and his company is seeking further cooperation with China.

More on Meeting

OW1911123694 Beijing XINHUA Domestic Service in Chinese 0840 GMT 19 Nov 94

[By reporter Zhang Yijun (1728 4135 0193)]

[FBIS Translated Text] Beijing, 19 Nov (XINHUA)—On 19 November, State Council Premier Li Peng met with Peter Kann, Dow Jones and Company Inc. chairman, his wife, and other company board members at Zhongnanhai's Ziguangge. Li Peng said: So long as the established basic principles governing relations between the two countries can be strictly observed, Sino-U.S. relations will be able to develop in a healthy and stable manner.

Dow Jones and Company Inc. is a world renowned economic information and publishing company, and, for the first time, held a board of directors meeting in Beijing a few days ago. Li Peng expressed his welcome to Peter Kann and his party.

Touching on Sino-U.S. relations, Li Peng said: Recently, some positive progress has been made in developing Sino-U.S. relations. Several days ago, President Jiang Zemin and President Bill Clinton again had a formal meeting in Jakarta, which was conducive to further enhancing mutual understanding. Li Peng emphatically pointed out that there is nothing strange in the differences between China and the United States because the two countries have different social systems and value concepts, and the important thing is that the two countries should, step by step, seek solutions to such differences through dialog and consultations on an equal footing. He said: The three joint communiques reached between China and the United States have established the basic principles for bilateral relations, especially the important principles of mutual respect for sovereignty and noninterference in each other's internal affairs. Strict observance of such principles will provide a fundamental guarantee for the healthy development of bilateral relations.

At the request of the guest, Li Peng commented on China's domestic economic situation. Li Peng said: "China's reform and opening up have made great strides, but also face some difficulties and problems in the course

of development. We have a clear view of such difficulties and problems and are taking measures to curb excessive increases in commodity prices. We are confident in controlling inflation."

Concerning the stock market, Li Peng said: "The securities and exchange system is still in a trial stage in China, and we have a cautious attitude toward the stock market." He said: China will, based on experimentation, gradually set up a standard stock system in line with China's practical conditions.

He said: China's foreign trade will grow along with the national economy's growth. China is a latent and huge market, which is still developing. China's market potential will be realized as the country opens further to the outside world and its economy develops. This will create more favorable conditions for expanding foreign economic relations and trade.

Peter Kann said: All of Dow Jones' board of directors members have been greatly impressed by China's economic development. The company has been actively expanding in the Chinese market in recent years, and in 1993, set up a representative office in Beijing. He said that his company is seeking cooperation opportunities in China with great interest.

Zhu Lin, Premier Li Peng's wife; Lu Ping, State Council's Hong Kong and Macao Affairs Office director; Liu Hongru, Chinese Securities Supervision and Management Committee chairman; and (Bu Rongkang), Dow Jones and Company Inc. president, were present at the meeting.

Spokesman Criticizes U.S. Rights Award for Dissidents

HK2011041094 Hong Kong AFP in English 0937 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, Nov 19 (AFI)—China reacted angrily Saturday to the awarding of the Robert Kennedy Human Rights prize in Washington to two detained human rights activists, Wei Jinsheng and Ren Wanding. "To give this human rights award to these people is a gross interference in China's internal affairs under the pretext of human rights," a foreign ministry spokesman said.

The award, including a 30,000-dollar prize, was presented by the late Kennedy's widow and accepted on Wei and Ren's behalf by Liu Qing, an exiled dissident living in the United States.

The Chinese spokesman said the prize was unwarranted given the criminal status of the two dissidents. "Both Wei Jinsheng and Ren Wanding were punished by China's judicial organs, because they both violated China's criminal law," he said.

In a statement released Friday, the chair of the award programme's judges, Rose Styron, said the Chinese government "seems to fear most those principled activists like Ren and Wei who refuse to be silenced."

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Wei, China's most celebrated dissident, came to prominence during the 1978-79 Democracy Wall movement when he wrote an article on democracy, or "the fifth modernisation," that specifically criticised Deng Xiaoping. Wei, 44, was imprisoned and finally released in September last year after serving all but six months of a 15-year sentence for counter-revolutionary activities. He was detained again on April 1 and has been held incommunicado and without charge since, his whereabouts unknown.

The 46-year-old Ren, another Democracy Wall veteran, was sentenced in 1991 to seven years imprisonment for "counter-revolutionary propaganda and incitement"—a charge relating to public speeches he gave during the 1989 pro-democracy movement.

Production Begins on Sino-U.S. Oilfield

OW2011014494 Beijing XINHUA Domestic Service in Chinese 0846 GMT 18 Nov 94

[By reporter Shi Meisi (0670 5019 3128)]

[FBIS Translated Text] Guangzhou, 18 Nov (XINHUA)—The Xijiang 24-3 oilfield was completed and put into production today. The oilfield was jointly built and developed by the China National Offshore Oil Corporation's Oriental Company, the U.S. Phillips Oil International's Asian Company, and the U.S. Pakton Oriental Company [transliteration as received].

The oilfield is located at the 15/11 contract zone in the basin of Zhujiang estuary, about 130 km southeast by south of Hong Kong. It is the fourth oilfield developed in the eastern part of the South China Sea through cooperation between Chinese and foreign firms. The three other fields are Huizhou 21-1, Huizhou 26-1, and Lufeng 13-1. The Xijiang 24-3 oilfield, discovered in 1985, is 9.3 square km in area and contains 29.09 million cubic meters of reserve. Construction began in January 1992, with the Chinese side holding 51 percent of the shares. The oilfield is expected to produce 1.3 million tonnes at peak output a couple of years from now.

Sino-U.S. Joint Venture Develops Safety Light Bulbs

OW2011152494 Beijing XINHUA in English 1501 GMT 20 Nov 94

[FBIS Transcribed Text] Shanghai, November 20 (XINHUA)—A new type of safety-ensured household bulb, produced in cooperation by manufacturers of China and the United States, attracted many businessmen at a national trade fair today.

The bulb, produced by a joint venture co-established by the General Electric Lighting of the United States and the Shanghai Jiabao Industry and Commerce Co. Ltd, can avoid potential burning the fuse in household circuit and bulb cracking caused by fluctuating voltage due to a fuse installed inside.

The new bulb will consume about the same amount of electricity as normal bulbs, according to experts.

Michael R. Greuter, general manager of the Marketing and Product Management [Department] of the GE Jiabao Lighting Co. Ltd, said that his venture made the bulb in accordance with standards carried out in Europe and America.

"China's lighting market develops the fastest in the world," he told XINHUA. "We established the venture in June and our first product comes out in just three months. Our cooperation is good and inspiring."

By the end of this year, the joint venture is expected to have an annual production capacity of more than 500 million bulbs. Next year it will add "GE" brand energy-saving fluorescent lamps to its current products with imported technology from the United States.

The General Electric Lighting, one of the largest lighting companies in the world, established the joint venture in cooperation with one of China's largest lighting companies, the Shanghai Jiabao Industry and Commerce Co. Ltd, with a joint investment of 180 million U.S. dollars.

Northeast Asia

Japanese Prime Minister Meets With Beijing Mayor

SK2011055594 Beijing BEIJING RIBAO in Chinese 10 Nov 94 p 4

[By reporter Li Xin (2621 2946): "Japanese Prime Minister Murayama Meets With Beijing Mayor Li Qiyuan"]

[FBIS Translated Text] On the afternoon of 9 November at his official residence, Japanese Prime Minister Murayama cordially met with Li Qiyuan, mayor of Beijing Municipality, as well as the Beijing Municipal government delegation.

During the meeting, Prime Minister Murayama expressed his heartfelt welcome to Li Qiyuan who paid the first visit to Japan after being appointed as the municipal mayor. He said: The establishment of friendship between Tokyo and Beijing, capitals of the two countries, is of great significance to the development of the friendship between the two countries. So far, many Japanese cities have established friendship ties with Chinese cities. Both sides have kept close contacts in various spheres and played a positive role in developing the friendship between China and Japan.

Li Qiyuan said: The 15th anniversary of the establishment of friendship ties between Tokyo and Beijing falls on 1994. Over the past 15 years, the two cities have greatly developed their friendship ties; and expanded the contacts in the economic, scientific and technological, and cultural spheres. Particularly, young visiting groups have persistently been exchanged. This is of extreme importance to keeping friendship between China and Japan

from generation to generation. Li Qiyao also said: He extensively established contacts with Japan's economic, enterprise, and banking circles through this visit. The Japanese traders expressed their warm interests in making investment and running plants in Beijing.

Murayama said: Japan has paid full attention to the contacts between Chinese and Japanese young people. This has not only laid a foundation for the friendship between the decedents of the two countries but also played a key role in safeguarding the peace of Asia and the world. He expressed: The Japanese Government will positively support the economic contacts and technological cooperation between Tokyo and Beijing. He concluded: "I sincerely hope that China will further develop its reform and opening up. I consistently support the principles governing the friendship between China and Japan."

On the morning of 9 November at Sinotani Hotel in Japan, the Beijing Municipal economic and trade delegation, accompanying Mayor Li Qiyao to visit Japan, signed 16 agreements on joint investment and cooperation with several large-sized enterprises of Japan. The agreements involve an investment of \$125 million and the projects in electronic, vehicle, fine chemical industrial, clothes, and real estate spheres.

Mayor Li Qiyao and responsible persons of the Japanese companies concerned attended the signing ceremony.

Japan 'Shifting From West to East' in Ties

HK1811104194 Beijing CHINA DAILY in English
18 Nov 94 p 4

[Third of four installments on Sino-Japanese relations from the "Opinion" page by Zhu Yinghuang and Kang Bing, CHINA DAILY reporters who have just returned from a week in Japan: "Market Shift Dawns in Japan"]

[FBIS Transcribed Text] For decades after World War II, Japan's diplomacy favoured the Western allies, especially the United States.

Now, with the end of the Cold War and the establishment of a new world order, Japan seems to be shifting slightly and gradually towards the East, especially the Asia-Pacific region where economic growth has been buoyant in recent years.

The Japanese are becoming more and more aware of the importance of maintaining good relations with neighbouring countries and regions.

"Japan has started shifting from west to east. Facing the 21st Century, it's high time that Japan reformed and rebuilt its relations with the U.S. and the Asian countries," said Nobuo Tateisi, vice-chairman of Omron Corporation, a company engaged in high-tech products.

His opinion was echoed by Shunji Yanai, director-general of the Foreign Policy Bureau of the Japanese Ministry of Foreign Affairs.

"A house is supported by many pillars. And to us, Asia, Europe and America are all pillars. But since we are located in Asia, then that is the continent which is obviously one of the most important pillars to Japan."

"Our relations with the U.S. will continue but at the same time we want improved relations with China," Yanai said.

"Many Asian countries, especially China, are rising very fast. I think if China keeps up its development pace, it will catch up," he said.

Officials and scholars from both countries seem to agree that since normalization of Sino-Japanese relations 22 years ago, bilateral relations have been, on the whole, developing along a steady and healthy track.

Zhao Jieqi, deputy director of the Institute of Japanese Studies under the Chinese Academy of Social Sciences, pointed out during an interview that out of the 13 Japanese prime ministers who have held office over the past two decades, eight have made state visits to China. At the same time, some top Chinese leaders visited Japan.

"Exchanges at high-ranking levels have helped a great deal to enhance mutual understanding between the leaders and peoples of the two countries," said Zhao.

"To develop a good relationship with China is obviously in Japan's best interests. With its fast-growing economy, China is becoming potentially the world's largest market—that's an attractive prospect to Japan, a country heavily reliant on international trade.

"On the other hand, China needs Japan's experience, technology and investment in its bid to modernize.

For the sake of their respective long-term interests, I believe, Sino-Japanese relations will continue to develop despite some obstacles here and there, now and then," Zhao said.

Although many Japanese tend to think themselves in a better position to improve relations with other Asian countries and regions, due to their geographical location as well as similarities with their Asian neighbours concerning heritage and culture, the development of such good-neighbourly relations has never been plain sailing. Observers have pointed out that Japan needs to make more efforts to win complete trust from other Asian countries.

Obstacle

One major obstacle has been attitudes toward Japanese aggression against some Asian countries during World War II.

From time to time, a few Japanese officials, even cabinet members, have uttered remarks that have tried to whitewash Japanese military aggression on its neighbours during the war. Such remarks, more often than not, have

caused uproars in the region. They hurt the feelings of the victims of the aggression. But few ordinary Japanese actually backed up their leaders' remarks.

"I am very sad about such statements. I think the majority of people, including the state leaders, don't agree with such ideas," said Yanai.

"History is history," he said. "We should take a more straightforward view of it, and draw lessons from it. And we should do more to teach our youngsters."

China's Minister of Foreign Affairs, Qian Qichen, has warned that Japan must remain clear-minded about historical issues if it wants to establish lasting friendly co-operative relations with Asian countries.

Chinese President Jiang Zemin also said that an accurate view of history was essential to Sino-Japanese relations. Only with that will Sino-Japanese friendship be maintained and remain amiable for generations.

Another possible obstacle could be the Taiwan issue. Japan officially recognizes the "One-China" policy—that there is only one China, and Taiwan is part of it. This was clearly stated in the two countries' joint agreement signed in 1972 which set the foundation for a normal relationship.

Asked to clarify Japan's policy on this issue, Yanai reassured, "Japan's position is to abide by the 1972 agreement and there is no intention of changing it. Our basic position is very firm on the one-China policy."

"Of course, there are some people, who are not in the government, who would like to see a change in this policy," Yanai added.

"So long as there are Japanese who wish to see such a change, the Taiwan issue will remain a knotty problem in Sino-Japanese relations," Zhao Jieqi predicted.

Nevertheless, for all the conflicts, Zhao and Yanai both agreed that the aspiration from both sides to maintain and further develop Sino-Japanese relations will be the mainstream.

This trend has been greatly reinforced by the fact that economic factors are playing an increasingly important role in international relations today. In the Sino-Japanese case, increasing economic co-operation and trade has paved the way for better relations.

Japan ranked first in the transfer of technology to China in 1993. Almost 30 per cent of China's technological imports came from Japan.

Last year, trading volume between the two countries soared to \$39 billion, an increase of 54 per cent over the previous year. China's exports to Japan in the first half of this year surged 37.4 per cent to \$8.1 billion. Imports grew 28.6 per cent to \$11.1 billion. Shi Yonghai, president of the International Trade Research Institute under

the Chinese Ministry of Foreign Trade and Economic Co-operation, predicted that bilateral trade may hit \$50 billion this year.

China's Vice-Premier Zhu Rongji, during his visit to Japan in March, pointed out that the best way for Japan to escape its economic recession was to increase co-operation with economically dynamic Asian countries, including China.

Jiang Chunyun Assures DPRK Group of Friendship

HK1911074394 Beijing CHINA DAILY in English
19 Nov 94 p 1

[By Ma Chenguang: "Delegation From DPRK Wraps Up 12-Day Visit"]

[FBIS Transcribed Text] Politburo member Jiang Chunyun reaffirmed yesterday that China will strengthen its friendship with the Democratic People's Republic of Korea (DPRK), no matter what changes may occur in world situation.

Jiang, a member of the Politburo of the Central Committee of the Communist Party of China (CPC), told a group of DPRK visitors in Beijing that in the changing world consolidation of such ties will be of utmost importance to China and the DPRK.

"China will as always make unremitting efforts to enhance the friendly co-operation between our two parties, nations and peoples," Jiang told a delegation from the Workers' Party of Korea.

Promotion of such friendship will also be highly conducive to peace and stability on the Korean Peninsula and in Northeast Asia, Jiang told the visitors that are wrapping up a 12-day visit at the invitation of the CPC.

The delegation, led by Yi Yong-su, is the first to visit China from the Workers' Party since DPRK paramount leader Kim Il-song died on July 8.

Jiang, the former Party secretary of the provincial committee in Shandong Province, was elected a new member to the Secretariat of the Central Party Committee in late September and moved to Beijing last month.

In the meeting Jiang reiterated China's heartfelt condolences over Kim's death.

He recalled the time he met Kim on his 1990 visit to the DPRK and when he received Kim in Shandong in 1991.

"China is glad to see DPRK people now marching forward down the socialist road under the new leadership of Kim Chong-il," Jiang said, adding that the Workers' Party and the DPRK are making great achievements in all spheres.

"I believe the DPRK people will usher in sustained successes in the socialist construction," he said.

Yi said that Kim Chong-il also pays great attention to promoting friendly ties with China.

Southeast Asia & Pacific

Jiang Zemin Continues Visit to Indonesia

Holds Talks With Suharto

OW1911125094 Beijing XINHUA Domestic Service in Chinese 1415 GMT 18 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Duan Jiyong (3008 0679 0615)]

[FBIS Translated Text] Jakarta, 18 Nov (XINHUA)—On 18 November, Chinese President Jiang Zemin and Indonesian President Suharto held talks at the Merdeka Presidential Palace. They exchanged views on bilateral relations and international and regional issues.

The one-and-a-half-hour talks were conducted in a cordial and friendly atmosphere.

During the talks, President Jiang Zemin thanked President Suharto and the Indonesian Government for their hospitality and warm and considerate arrangements. He spoke highly of Indonesia's construction achievements under the leadership of President Suharto and Indonesia's positive role in international and regional affairs.

Jiang Zemin said: By successfully hosting the Asia-Pacific Economic Cooperation [APEC] Ministerial Meeting and an informal APEC leadership meeting, Indonesia made positive contributions to further strengthening economic cooperation in the Asia-Pacific region. He expressed appreciation over the fact that Suharto and the Indonesian Government organized this APEC leadership meeting in the pattern practiced during the first such meeting held in Seattle last year. He congratulated President Suharto again on successfully hosting the APEC meetings.

President Suharto expressed a warm welcome to President Jiang

Zemin on his visit and said emphatically that his visit to Indonesia embodies the importance China attaches to the development of friendship and cooperation between the two countries. He expressed confidence that the existing atmosphere of mutual trust, friendship, and cooperation between the two countries will give a strong impetus to the development of bilateral ties.

On China's relations with Indonesia, Jiang Zemin said: China steadfastly upholds the Five Principles of Peaceful Coexistence while dealing with bilateral relations. Since China and Indonesia resumed diplomatic relations four years ago, bilateral relations have been restored comprehensively and have been developed in an all-round manner. The successful exchange of visits by high ranking leaders of the two countries have improved

mutual understanding and friendship and laid a foundation for the sound development of bilateral relations. Progress has been made in economic and trade cooperation between the two countries, trade volumes grow year after year, and mutual investments and other kinds of cooperation formats in economic and technological fields are gradually developing.

Jiang Zemin said emphatically: To develop two-way investment in other countries on the basis of mutual benefit and reciprocity is the Chinese Government's persistent policy. He expressed his confidence that as the Chinese economy develops and China's capability in overseas investment grows, China is bound to increase its investment in Indonesia.

Jiang Zemin pointed out: Further expansion of bilateral economic and trade cooperation on the basis of mutual benefit, reciprocity, and help conforms not only to the fundamental interests of the people of the two countries but also to the spirit of South-South cooperation that President Suharto has advocated. China is willing to strengthen economic cooperation with Indonesia through both bilateral and multilateral channels, particularly in the fields of agriculture, developing small and medium-sized enterprises, human resources, and technological transfer. He expressed his hope that the two countries will continue their efforts to develop bilateral relations based on the Five Principles of Peaceful Coexistence and on the Bandung Conference's 10-point declaration. He hoped that the two countries will bear the future and the 21st century in mind and further develop their relations.

During the meeting, the two leaders especially briefed each other on the domestic situation and economic development in their own countries. Suharto said: Indonesia's first 25-year long-term development plan has ended with great achievements. Indonesia is quickening the process of development according to its second 25-year development plan. Jiang Zemin gave an account on China's development strategies and the achievements scored in reform and opening up. He stressed: Correct handling of the relations between reform, development, and stability is an important principle steadfastly upheld by China.

The two leaders agreed that China and Indonesia, as developing countries, are similar in many ways and are faced with the common task of development. The exchange of information and experiences between them is of great importance to the economic development in both countries and to bilateral economic and trade cooperation. Both sides shared the view that the attempt by certain people to restrict the economic development of developing countries under the pretext of human rights and environmental issues does not conform to the interests of developing countries.

On the current international situation, Jiang Zemin said: Profound and complicated changes are taking place in the world. Various forces continue to split and realign,

the world is moving rapidly toward a multipolar structure, and giving priority to economy is a world trend. Promoting detente and seeking development have become a main stream in the international situation. However, the world is not peaceful, armed conflicts and turbulent situations are continuing, and unpredictable factors are increasing. The world economy develops unevenly and the gap between the South and the North is widening. Generally speaking, world peace and development still face serious challenges.

Jiang Zemin said: Indonesia has always attached importance to South-North issues and has actively promoted South-South cooperation. China is willing to further strengthen coordination and cooperation with Indonesia and work together to promote the establishment of a new international political and economic order that is just and rational.

President Jiang Zemin invited President Suharto and Mrs Suharto to visit China again. Suharto accepted his invitation happily.

Qian Qichen, State Council vice premier and Foreign minister, and Indonesian Foreign Minister Ali Alatas were present at the talks.

More on Talks

OW1811172394 Beijing XINHUA in English 1715
GMT 18 Nov 94

[FBIS Transcribed Text] Jakarta, November 18 (XINHUA)—Chinese President Jiang Zemin and his Indonesian counterpart Suharto held talks here this morning on bilateral relations as well as regional and international issues.

During the talks, the two presidents shared the view that China and Indonesia, both as developing countries, are faced with the common task of development and exchange of experience between them is of major importance to the economic development in both countries and to bilateral economic and trade cooperation.

The two leaders also shared the view that the attempt by certain people to restrict the economic development of developing countries under the pretext of human rights and environment issues does not conform to the interests of developing countries.

At the meeting, the two leaders briefed each other on the domestic situation and economic development in their own countries.

On China's strategy of development and the achievements made in reform and opening to the outside world, Jiang stressed that correct handling of the relationship between stability, reform and development is an important principle that China always adheres to.

At the meeting, Jiang Zemin spoke highly of the achievements made by Indonesia in economic construction and the positive role it has played in regional and international affairs.

Jiang expressed appreciation of the fact that Suharto and the Indonesian Government organized the second informal Asia and Pacific Economic Cooperation leadership meeting in the pattern practised by the first such meeting held in Seattle last year. At both meetings, Chinese Taipei and Hong Kong were represented as regional economies.

On bilateral relations, Jiang said Sino-Indonesian relations have been restored comprehensively and have been developed in an all-round manner over the past four years.

He said further expansion of bilateral economic and trade cooperation conforms not only to the fundamental interests of the people of the two countries but also to the spirit of South-South cooperation which President Suharto has advocated.

Jiang said China "is willing to strengthen economic cooperation with Indonesia through both bilateral and multilateral channels," particularly through cooperation in agriculture, the development of small and medium-sized enterprises, the development of human resources, and technological transfer.

He expressed his hope that bilateral relations will further develop as the two countries move toward the 21st century.

On international issues, Jiang said that seeking development has become a main stream in the international situation but the world is still not tranquil and "world peace and development are still faced with serious challenges."

"We are willing to further strengthen coordination and cooperation with Indonesia and to make joint efforts to accelerate the establishment of a new, just and rational international political and economic order," Jiang said.

During the meeting, Suharto said Jiang's visit to Indonesia embodies the importance China attaches to the development of friendship and cooperation between the two countries.

He expressed his confidence that the existing atmosphere of mutual trust, friendship and cooperation between the two countries will give a strong impetus to the development of bilateral ties.

He said Indonesia is accelerating the process of development in line with its second 25-year long-term development plan after it has successfully accomplished the first 25-year plan.

At the meeting, Jiang Zemin invited Suharto to re-visit China and Suharto accepted the invitation.

Chinese Vice Premier and Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas were present at the meeting.

Jiang on Overseas Chinese

OW1911001394 Beijing XINHUA in English 1855
GMT 18 Nov 94

[FBIS Transcribed Text] Jakarta, November 18 (XINHUA)—Chinese President Jiang Zemin said today that China will never try to use people of Chinese origin living in Indonesia to seek political or economic gain there.

Jiang made the statement in a toast at a banquet jointly hosted in his honor by the Indonesian Chamber of Industry and Commerce and the Indonesia-China Economic, Social and Cultural Cooperation Association here this evening.

Jiang said China will always abide by the principle of non-interference in the internal affairs of other countries and will never use people of Chinese origin living in Indonesia to seek political or economic gain in that country.

"We are pleased to have noted that problems between the two countries which have been left over by history have been or are being resolved through friendly consultations between the two sides since the restoration of diplomatic ties between them," Jiang said.

He expressed the Chinese Government's appreciation over the measures adopted by the Indonesian Government since last year to simplify the procedures of application for Indonesian nationality by overseas Chinese residing in the country.

Meanwhile, Jiang said, the Chinese Government also requests those overseas Chinese in Indonesia who choose to retain Chinese nationality to abide by the Indonesian laws, respect local custom and get along well with the local people, so as to contribute to the economic development and prosperity of Indonesia and to the development of the friendly relations between China and Indonesia.

Jiang also said both China and Indonesia, as two large developing countries in their region, hope to quicken the pace of economic development in their countries by increasing foreign trade and attracting more outside investment.

He said China always favors two-way investment on the basis of mutual benefit. "We encourage Chinese entrepreneurs to invest in Indonesia and at the same time welcome Indonesian entrepreneurs to China for investment," Jiang added.

He also spoke highly of the contribution already made or being made by people in Indonesia's industrial and commercial circles to the restoration and development of economic and trade ties between China and Indonesia.

Before Jiang's toast, general president of the Indonesian Chamber of Industry and Commerce Aburizal Bakrie

and General Chairman of Indonesia-China Economic Social and Cultural Cooperation Association Sukamdani S. Gitosardjono also made their toasts at the banquet.

Aburizal, in his toast, said all members of his chamber stand ready to implement the agreement reached by leaders of the two countries in their talks and promote bilateral economic and trade ties.

He said the chamber will introduce in great deal China's technology needed in the construction in Indonesia.

Sukamdani said that exchanges between the two countries in culture, education and science and technology will help promote mutual understanding, thus strengthening bilateral trade ties.

Jiang Hails Sino-Indonesian Ties

OW1911120494 Beijing XINHUA Domestic Service in Chinese 1718 GMT 18 Nov 94

[By reporters Zhao Xinkao (6392 2450 5072) and Wei Guoqiang (7614 0948 1730)]

[FBIS Translated Text] Jakarta, 18 Nov (XINHUA)—The Indonesian Chamber of Industry and Commerce [ICIC] and the Indonesia-China Economic, Cultural, and Social Cooperation Association [ICECSCA] jointly held a banquet at the Shaxide Chaya [sha xi de cha ya 3097 1585 1795 2686 7161] Hotel here this evening to warmly welcome PRC President Jiang Zemin.

In their respective speeches, ICIC Chairman Aburizal Bakrie and ICECSCA General Chairman Sukamdani extended their welcome to President Jiang Zemin on the latter's visit.

Aburizal said: President Jiang Zemin's visit to Indonesia indicates that bilateral friendship and cooperative relations between two major countries, Indonesia and China, have become much closer.

After reviewing that Indonesian-Chinese bilateral economic relations and trade have developed rapidly since the two countries began direct trade in 1985, he pointed out: Indonesian entrepreneurs have noticed that the amount of bilateral trade only amounts to a very small percentage of the total value of foreign trade of both Indonesia and China. This shows there is enormous potential for both sides to develop bilateral trade.

He said: Even though Indonesia and China do compete in certain fields while conducting bilateral trade, we are complementary in more fields in our trade ties. He specially pointed out: The ICIC will vigorously introduce Chinese technology needed for Indonesia's development.

He indicated: All ICIC members warmly welcome and are ready to implement agreements reached by leaders of the two countries in their talks so as to further enhance bilateral economic relations, trade, and cooperation.

Sukamdani said: Operators of large, medium, and small enterprises under the ICECSCA have made contributions to facilitating Indonesian-Chinese direct trade in 1985. The ICECSCA aims to enhance Indonesian-Chinese friendship and to promote bilateral economic, cultural, and social cooperation.

He said: When Indonesia and China have increased their cultural and artistic exchanges and educational, scientific, and technological cooperation, bilateral social and cultural relations will further develop. Consequently, Indonesian-Chinese trade ties will become much closer.

He pointed out: Further strengthening Indonesian-Chinese friendship and bilateral economic, cultural, and social cooperation will be conducive for the two countries to play greater roles in the Asia-Pacific region.

Jiang Zemin pointed out in his thank-you speech: China and Indonesia have made satisfactory progress in enhancing bilateral relations and economic and trade cooperation over the past four years since they restored diplomatic ties in 1990. The value of bilateral trade has increased yearly, up 81 percent from \$1.18 billion in 1990, when diplomatic relations were restored, to \$2.14 billion in 1993. During the first eight months of 1994, it reached \$1.462 billion, or an increase of 27.9 percent over the same period of 1993. Both sides have gradually increased investments in each other's country and strengthened bilateral scientific and technological cooperation.

Jiang Zemin said: "We always uphold the mutually-beneficial principle when conducting two-way investments with other countries. While encouraging Chinese entrepreneurs to invest in Indonesia, we also welcome Indonesian entrepreneurs to invest in China. I believe that China will gradually increase its investments in Indonesia once it has developed its economy and increased its ability to invest overseas."

Jiang Zemin said: We are pleased to note that problems between the two countries which have been left over by history have been or are being resolved through friendly consultations between the two sides since China and Indonesia restored diplomatic ties. China appreciates the measures adopted by the Indonesian Government since last year to simplify the application procedures for Indonesian citizenship by overseas Chinese residing in the country. Meanwhile, China also urges those overseas Chinese in Indonesia who choose to retain Chinese citizenship to abide by Indonesian laws, respect local customs, and get along well with the local people so as to further develop and help improve the Indonesian economy and to further enhance the friendly relations between China and Indonesia. The Chinese Government will always abide by the principle of noninterference in the internal affairs of other countries and will never use Chinese compatriots and overseas Chinese to seek political or economic gain in Indonesia. Since the restoration of Sino-Indonesian diplomatic ties, facts have shown

that with new spirits, new strides, and new objectives, China and Indonesia are entering a new phase of bilateral relations.

Also attending the banquet on invitation were President Jiang

Zemin's entourage during his visit to Indonesia, including Qian Qichen, vice premier of the Chinese State Council and foreign minister; special assistant Wen Jiabao; and Qian Yongnian, PRC ambassador to Indonesia.

Other Indonesian leaders attending the banquet were Hartarto, coordinating minister for industry and trade; Satrio Budihardjo Joedono, minister of trade; Yudohusodo Siswono, minister of transmigration; leaders of the ICIC and the ICECSCA; and other renowned Indonesian entrepreneurs.

Jiang Visits Embassy Personnel

OW2011010094 Beijing XINHUA Domestic Service in Chinese 1132 GMT 19 Nov 94

[By reporters Zhao Xinkao (6392 2450 5072) and Liu Ruiping (0491 3843 1627)]

[FBIS Translated Text] Jakarta, 19 Nov (XINHUA)—Chinese President Jiang Zemin called on Chinese embassy personnel and representatives of other Chinese organizations in Indonesia at the Chinese embassy here this morning.

Jiang Zemin briefed embassy personnel on the current domestic and international situation. He urged Chinese personnel in Indonesia to work hard to contribute to the development of Sino-Indonesian friendship and cooperation.

Accompanying the president were Qian Qichen, vice premier and foreign minister; and Wen Jiabao, special assistant.

Pact Signed on Investment Protection

OW1811173194 Beijing XINHUA in English 1721 GMT 18 Nov 94

[FBIS Transcribed Text] Jakarta, November 18 (XINHUA)—China and Indonesia signed here today an agreement on promoting and protecting investment and a memorandum of understanding on scientific and technological cooperation.

Visiting Chinese President Jiang Zemin and Indonesian President Suharto witnessed the signing ceremony.

The accord on investment was signed by Chinese Vice Premier and Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas, on behalf of their respective governments.

The memorandum of understanding was signed by Qian and Indonesian State Minister for Research and Technology Bacharuddin Habibie.

After the signing ceremony, Jiang and Suharto shook hands.

Jiang Sends Cable to Suharto

OW1911142194 Beijing XINHUA Domestic Service in Chinese 1123 GMT 19 Nov 94

[FBIS Translated Text] Jakarta, 19 Nov (XINHUA)—At the conclusion of his state visit to Indonesia and the time of leaving Jakarta, Chinese State President Jiang Zemin this afternoon [19 November] sent a cable to President Suharto to express his appreciation of the enthusiastic welcome and overwhelming hospitality accorded him and his party by President Suharto, the Indonesian Government and the Indonesian people.

In his cable of appreciation, Jiang Zemin said: "During the period of my visit, I have thoroughly exchanged opinions with Your Excellency on bilateral relations and international and regional issues. We have reached common understanding in a wide range of subjects and enhanced mutual understanding and friendship. Our meaningful visits and sight-seeing trips have made a deep impression on us regarding the achievements of your country's economic construction, beautiful tropical sceneries and world renowned historical relics. Wherever we went, we were warmly received. This has fully demonstrated the profound friendship of the Indonesian people toward the Chinese people. I am convinced that, with our joint efforts, friendship and cooperation between our two countries will certainly be further consolidated and developed."

Jiang Concludes Visit

OW1911095894 Beijing XINHUA in English 0945 GMT 19 Nov 94

[FBIS Transcribed Text] Jakarta, November 19 (XINHUA)—Chinese President Jiang Zemin concluded his first state visit to Indonesia today and left here this afternoon for Vietnam on an official visit.

Upon an invitation from Indonesian President Suharto, President Jiang Zemin started a state visit to Indonesia on November 16, right after attending the second informal APEC leadership meeting in Bogor on November 15.

During his four-day visit, President Jiang and President Suharto held talks to exchange views on bilateral, regional and international issues of mutual interests.

The two presidents expressed their satisfaction over bilateral relationship in various fields and expressed their wish that the relationship be further promoted.

Leaving Indonesia together with President Jiang were Chinese Vice Premier and Foreign Minister Qian Qichen and special assistant Wen Jiabao.

Seeing the Chinese president off at the airport were Indonesian Foreign Minister Ali Alatas, Chinese Ambassador to Indonesia Qian Yongnian, and the staff of the Chinese Embassy here.

Alatas told XINHUA at the airport that "Chinese President Jiang Zemin's just concluded state visit to Indonesia is a very successful one. Actually there is no problem between our two countries."

Alatas noted that "it is certain that President Jiang's visit to Indonesia will further deepen mutual understanding and further promote friendly relations between our two countries."

Thai Deputy Prime Minister Meets Auditor General

OW2111122694 Beijing XINHUA in English 1145 GMT 21 Nov 94

[FBIS Transcribed Text] Bangkok, November 21 (XINHUA)—Thai Deputy Prime Minister Chamlong Srimuang [name as received] today said to Chinese Auditor-General Guo Zhengyan that auditing is an important field and officials in this field can increase exchange to learn from each other.

Chamlong told the Chinese guest that maintaining good and close governmental and non-governmental ties between the two countries in various fields is beneficial to both sides.

He recalled that when he was governor of Bangkok, he reached an agreement with mayor of Beijing Chen Xitong on launching exchanges at the district and county levels.

Guo said on the occasion that he had come to learn experience from Thai auditing colleagues and expressed the hope that more training, visits and consultation will be organized in future between the two sides.

Guo arrived in Bangkok on a goodwill visit on Sunday [20 November] from New Delhi where he attended a conference on auditing.

President Jiang Zemin Visits Vietnam

Arrives in Ho Chi Minh City

OW1911110594 Beijing XINHUA in English 1051 GMT 19 Nov 94

[FBIS Transcribed Text] Ho Chi Minh City, Vietnam, November 19 (XINHUA)—Chinese President Jiang Zemin arrived here this evening for a four-day official goodwill visit to Vietnam.

Vietnam is the last leg of his four-nation tour to Southeast Asia.

The Chinese president flew here from Indonesia, where he just ended a state visit.

Further on Arrival

OW1911160394 Beijing XINHUA in English 1528
GMT 19 Nov 94

[FBIS Transcribed Text] Ho Chi Minh City, Vietnam, November 19 (XINHUA)—General secretary of the Central Committee of the Communist Party of China (CPC) and Chinese President Jiang Zemin arrived here this evening at the start of a four-day official goodwill visit to Vietnam.

Jiang flew in from Indonesia, where he has just ended a four-day state visit after attending an informal leadership conference of the Asia-Pacific Economic Cooperation (APEC) forum.

Jiang's visit here is the first ever by a head of the CPC. He is also the second Chinese president to visit Vietnam in three decades. The late Chinese President Liu Shaoqi visited Vietnam in 1963.

Greeting President Jiang at the airport were Vo Tran Chi, a member of the Politbureau of the Vietnamese Communist Party (CPV) and party committee secretary of Ho Chi Minh City, and Hong Ha, a member of the Secretariat of the CPV Central Committee and chairman of the Commission for External Relations of the CPV Central Committee. Hong Ha made a special trip from Hanoi to meet the Chinese president here.

Ho Chi Minh City, formerly Saigon, was renamed in 1976 after the late Vietnamese leader. It is the largest port city of Vietnam.

Vietnam is the last leg of Jiang's current four-nation Asian tour, which has already taken him to Singapore, Malaysia and Indonesia. The Chinese president attended the meeting of APEC leaders in Bogor, near Jakarta, on November 15.

Jiang Begins Official Visit

OW2011014294 Beijing XINHUA Domestic Service in Chinese 1348 GMT 19 Nov 94

[By reporters Zhang Jiaxiang (1728 0502 4382), Wei Guoqiang (7614 0948 1730), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Ho Chi Minh City, Vietnam, 19 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee and Chinese president, arrived here by special plane today to begin a four-day official goodwill visit to Vietnam.

Jiang Zemin is visiting Vietnam at the invitation of Do Muoi, general secretary of the Communist Party of Vietnam [CPV], and Le Duc Anh, president of the SRV.

Huge streamers welcoming President Jiang Zemin's visit decorated Ho Chi Minh City's Tan Son Nhat Airport today, with Chinese and Vietnamese flags fluttering in the wind. At 1735 local time, the special plane with Jiang Zemin on board landed. Nguyen Canh Dinh, head of the

Vietnamese Reception Committee and minister of water conservancy; Zhang Qing, Chinese ambassador to Vietnam; and Ou Yi, Chinese consul general in Ho Chi Minh City, climbed up to the special plane to greet President Jiang Zemin.

Jiang Zemin then descended from the plane and cordially shook hands with Vo Tran Chi, member of the CPV Central Committee Politburo and secretary of the Ho Chi Minh City party committee; and Tran Chinh, chairman of Ho Chi Minh City People's Council. A young woman from Ho Chi Minh City and a representative of the Chinese Consulate General presented flowers to Jiang Zemin. He then shook hands with Vietnamese and Chinese personnel greeting him, including Hong Ha, member of the CPV Central Committee Secretariat and chairman of the CPV Central Committee Commission for External Relations; Vu Qu An, SRV vice foreign minister; and Deng Yanheng, Chinese ambassador to Vietnam, who made a special trip from Hanoi to meet the Chinese president and his entourage. Immediately afterward, Jiang Zemin and his party left the airport by car for the government guest-house downtown, where he would stay.

Also arriving on the same plane were: Qian Qichen, vice premier and foreign minister; Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat; Zeng Qinghong, special assistant and director of the CPC Central Committee General Office; Wang Zhongyu, minister in charge of the State Commission for State Economics and Trade Commission; Wu Yi, minister of foreign economic relations and trade; Wang Weicheng and Shu Huaide, special assistants; and Tang Jiaxuan, vice foreign minister.

Ho Chi Minh City Welcomes Jiang

OW2011014394 Beijing XINHUA Domestic Service in Chinese 1622 GMT 19 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Zhang Jiaxiang (1728 0502 4382), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Excerpt] Ho Chi Minh City, 19 Nov (XINHUA)—Vo Tran Chi, member of the Communist Party of Vietnam [CPV] Central Committee Politburo and secretary of the Ho Chi Minh City CPV Committee, hosted a banquet at the Unification Palace here this evening to warmly welcome visiting Chinese President Jiang Zemin. [passage omitted]

In his speech, Jiang Zemin thanked the people of Ho Chi Minh City for their red carpet welcome and warm hospitality. He said: I doubly feel at home to be able to visit the city renamed for the Vietnamese people's great leader, Ho Chi Minh.

Jiang Zemin spoke highly of Ho Chi Minh City for taking the lead in setting an example and for conducting highly effective work in Vietnam's great undertaking of reform and opening up.

Jiang Zemin said: Ho Chi Minh City has also played an active role in consolidating and developing friendship and cooperation between China and Vietnam. China's Shanghai and Ho Chi Minh City have forged ties of friendship. Many exhibitions of Chinese products have been held here. They led to the establishment of a number of Sino-Vietnamese cooperation projects. All these served to improve the mutual understanding and friendship between the peoples of China and Ho Chi Minh City and strengthened their mutually beneficial cooperation in all fields of endeavor.

Jiang Zemin wished the good-neighborly friendship and mutually beneficial cooperation between China and Vietnam and between their peoples to continuously consolidate and develop.

Qian Qichen, vice premier of the State Council and concurrently foreign minister; Wen Jiabao, alternate member of the CPC Central Committee [CPCCC] Political Bureau and member of the CPCCC Secretariat; Zeng Qinghong, special assistant and director of the CPCCC General Office; Wang Zhongyu, minister in charge of the State Economic and Trade Commission; Wu Yi, minister of foreign trade and economic cooperation; Wang Weicheng and Shu Huaide, special assistants; and Tang Jiaxuan, vice foreign minister, who accompanied Jiang Zemin in his visit, with Zhang Qing, Chinese ambassador to Vietnam, attended the banquet.

Among those on the Vietnamese side attending the banquet were Hong Ha, member of the CPV Central Committee [CPVCC] Secretariat and chairman of the CPVCC Commission for External Relations; Nguyen Canh Dinh, minister of water conservancy and chairman of the Vietnamese Government Reception Committee; Wu Kuan [name as transliterated], vice foreign minister; and Dang Nghiem Hoanh, Vietnamese ambassador to China.

Vo Tran Chi Hosts Banquet

OW1911174294 Beijing XINHUA in English 1721
GMT 19 Nov 94

[FBIS Transcribed Text] Ho Chi Minh City, Vietnam, November 19 (XINHUA)—The Communist Party, state and people of Vietnam always treasure the good-neighborly relations and cooperation with China and try their best to consolidate such ties, a high-ranking Vietnamese party official said here today.

In a grand banquet he hosted in honor of visiting Chinese President Jiang Zemin here this evening, Vo Tran Chi, a member of the Politburo of the Communist Party of Vietnam (CPV), said the peoples of Vietnam and China have enjoyed a long history of friendly relations.

Remarkable progress has been made in recent years in many areas in the friendly and cooperative relations between the CPV and the Communist Party of China and the two countries, he said.

Vo Tran Chi, who is also party chief of Ho Chi Minh City, said the traditional friendship between the two countries was fostered with care by the late Vietnamese leader Ho Chi Minh and the late Chinese leader Mao Zedong.

"We are determined to devote our major efforts to foster such relations and make them grow stronger with each passing day," he said.

He said Ho Chi Minh City has adopted measures to resume exchanges and cooperation between Vietnam and China in many areas, citing the exchanges of visits by officials from Ho Chi Minh City and some Chinese cities, including Shanghai.

At the banquet, President Jiang spoke highly of the role played by Ho Chi Minh City in consolidating and developing the friendship and cooperation between China and Vietnam.

He pointed out that Shanghai and Ho Chi Minh City have become sister cities, adding that many exhibitions on Chinese products have been held here and quite a few Sino-Vietnamese joint venture projects established.

All these, Jiang said, have helped promote the mutual understanding and friendship between the Chinese people and people of this city and strengthen the mutually-beneficial cooperation between the two sides in many areas.

Jiang also praised Ho Chi Minh City's efforts to reform and opening up.

Jiang arrived here this evening at the start of a four-day official goodwill visit to Vietnam.

Jiang Arrives in Hanoi

OW2011060794 Beijing XINHUA in English 0524
GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—Chinese President Jiang Zemin arrived here today from Ho Chi Minh City to continue his four-day official goodwill visit to Vietnam.

Vietnam is the last leg of Jiang's four-nation Asian tour, which has already taken him to Singapore, Malaysia and Indonesia.

Soon after Jiang's arrival in Ho Chi Minh City Saturday [19 November] evening, Vo Tran Chi, a member of the Politburo of the Communist Party of Vietnam and the party chief of Ho Chi Minh City, hosted a welcoming banquet in honor of President Jiang.

Jiang Issues Written Statement

OW2011083194 Beijing XINHUA in English 0811
GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—Jiang Zemin, general secretary of the Central

Committee of the Communist Party of China (CPC) and Chinese president, arrived here this afternoon to continue his official and goodwill visit to Vietnam.

He came to Hanoi from Ho Chi Minh City, where he had an overnight stay.

In a written statement issued on his arrival at the airport here, Jiang said "China and Vietnam are linked by common mountains and rivers and the friendship between the peoples of the two countries goes back to ancient times."

"We feel pleased to see the progress made in various fields in the relationship between the two countries in the past three years since the normalization of Sino-Vietnamese ties," he said.

He expressed his conviction that the consolidation and strengthening of Sino-Vietnamese relations of good neighborliness and friendship and cooperation of mutual benefit not only conform to the common desire and fundamental interests of the peoples of the two countries but also benefit peace, stability and development in the region.

The president said that during the visit he will hold talks with general secretary of the Central Committee of the Communist Party of Vietnam Do Muoi and Vietnamese President Le Duc Anh on furthering bilateral relations as well as on regional and international issues of common concern.

He expressed the confidence that his visit to Vietnam will further increase mutual understanding and friendship and give an impetus to the development of the good neighborly, friendly and cooperative relations between the two countries.

This is the first time that the supreme leader of the CPC and the second time that a Chinese president visit Vietnam since the establishment of diplomatic ties between China and Vietnam in 1950.

Vietnam is the last leg of Jiang's four-nation Asian tour. He has visited Singapore, Malaysia and Indonesia, and attended the informal Asia Pacific Economic Cooperation leadership meeting while in Indonesia.

Further on Jiang's Statement

OW2011140094 Beijing XINHUA Domestic Service in Chinese 1006 GMT 20 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Zhang Jiaxiang (1728 0502 4382), and Hu Suojin (5170 6956 6930)]

[FBIS Translated Text] Hanoi, 20 Nov (XINHUA)—On 20 November, Jiang Zemin, CPC Central Committee [CPCCC] general secretary and Chinese president, arrived in the Vietnamese capital of Hanoi from Ho Chi Minh City on a special plane to continue his official goodwill visit to Vietnam.

Jiang Zemin is visiting Vietnam at the invitation of Do Muoi, Communist Party of Vietnam [CPV] general secretary, and SRV President Le Duc Anh. This is the first Vietnam visit by a top CPC leader and the second by a Chinese President after President Liu Shaoqi's 1963 visit. During the visit, PRC and SRV leaders will hold their fourth high-level meeting since normalization of Sino-Vietnamese ties in 1991. Vietnam is the last leg of Jiang Zemin's on-going four-nation Southeast Asian tour.

For the past few days, Hanoi has been filled with a festive atmosphere, with banners carrying Chinese and Vietnamese characters hung over major streets in the city, reading: "Warmly welcome CPCCC General Secretary and Chinese President Comrade Jiang Zemin's Official, Goodwill Visit to Vietnam" and "May the Traditional Good Neighborly and Friendly Relations and Cooperation Between the SRV and the PRC in Various Fields be Consolidated and Developed Day by Day."

Today, the national SRV and the PRC flags are fluttering in the wind at the Noi Bai International Airport in the outskirts of northern Hanoi. At 1217 local time [0517 GMT], the special plane carrying President Jiang Zemin landed steadily. He was greeted at the airport by Nguyen Viet Dung, SRV Presidential Office director, and others.

In a written statement issued on his arrival at the airport, Jiang Zemin said: China and Vietnam are linked by common mountains and rivers and the friendship between the peoples of the two countries goes back to ancient times. In their respective struggles for national independence and state liberation, the peoples of the two countries, through mutual sympathy and support, have forged a profound friendship. Today, we are again learning from each other and promoting mutually beneficial cooperation in our own nation-building. We feel pleased to see that new progress has been achieved in various fields since normalization of Sino-Vietnamese relations three years ago.

Jiang Zemin expressed his conviction that the consolidation and strengthening of Sino-Vietnamese relations of good neighborliness and friendship and mutually beneficial cooperation "not only conform to the common desire and fundamental interests of the peoples of the two countries, but also benefit peace, stability, and development in the region."

Jiang Zemin said he will hold talks with General Secretary Do Muoi and President Le Duc Anh and meet other Vietnamese leaders to widely and deeply exchange views on furthering bilateral relations and on regional and international issues of common concern. He was confident that his visit to Vietnam would further enhance mutual understanding and friendship and boost development of good neighborly, friendly cooperative relations between the two countries.

Arriving in Hanoi on the same plane were officials travelling with Jiang Zemin, including Qian Qichen,

State Council vice premier and concurrently foreign minister; Wen Jiabao, CPCCC Political Bureau alternate member; Zeng Qinghong, special assistant and CPCCC General Office director; Wang Zhongyu, minister in charge of the State Economic and Trade Commission; Wu Yi, foreign trade and economic cooperation minister; Special Assistants Wang Weicheng and Shu Huaide; Vice Foreign Minister Tang Jiaxuan; and Zhang Qing, Chinese Ambassador to Vietnam.

Hong Ha, CPV Central Committee [CPVCC] Secretariat member and CPVCC Commission For External Relations chairman; Nguyen Canh Dinh, Vietnamese Government Reception Committee chairman and water conservancy minister; Vo Qu An, Vietnamese vice foreign minister; and Dang Nghiem Hoanh, Vietnamese ambassador to China; also arrived in Hanoi on the same flight.

Jiang Meets Nguyen Van Linh

OW2011112994 Beijing XINHUA Domestic Service in Chinese 0853 GMT 20 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Zhang Jiaxiang (1728 0502 4382), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Ho Chi Minh City, 20 Nov (XINHUA)—On 20 November, Jiang Zemin, CPC Central Committee general secretary and state president, met with Nguyen Van Linh, adviser to the Central Committee of the Vietnamese Communist Party [VCP], in the United Palace. The meeting proceeded in a cordial and harmonious [rong qia 5816 3174] atmosphere.

During the talks, Jiang Zemin said that Nguyen Van Linh is an old friend whom the Chinese people know very well. He also praised him for making positive contributions to the success of the Chengdu meeting in 1990 and thus, to the restoration and development of relations between China and Vietnam.

Nguyen Van Linh, 79, was VCP Central Committee general secretary between 1986 and 1991.

Jiang Zemin said: China and Vietnam are both carrying out reforms and opening up to the outside world or carrying out renovations and opening up to the outside world [ge xin kai fang 7245 2450 7030 2397], and the difficulties and problems they are facing are similar to some extent; there are many common points between the two countries. They can learn from and draw on each other's experiences and methods of work, so as to find a development path suitable to each other's national conditions.

Jiang Zemin said the purpose of his current trip is to explore ways to further expand economic and trade cooperation and develop good-neighborly relations, so that China and Vietnam can cooperate in a better way, strengthen friendly relations, and progress together under the new historical conditions.

Nguyen Van Linh said he was very honored to be able to receive Jiang Zemin in a city named after Chairman Ho Chi Minh and that he was very pleased that the traditional deep friendship between the two countries has developed in the right direction since the Chengdu meeting.

Nguyen Van Linh congratulated China on its achievements scored in various fields by following the reform and opening up policy set by Comrade Deng Xiaoping. He said the mutual exchange of experiences and strengthening of cooperation between China and Vietnam will benefit both sides. He expressed the hope that China will become stronger and more prosperous with each passing day.

Present at the meeting on the Chinese side were Qian Qichen, State Council vice premier and foreign minister; Wen Jiabao, alternate CPC Central Committee Political Bureau member and member of the CPC Central Committee's Secretariat; Zeng Qinghong, special assistant and General Office of the CPC Central Committee director; Wang Zhongyu, State Economic and Trade Commission minister; Wu Yi, foreign trade and economic cooperation minister; Special Assistant Wang Weicheng; Special Assistant Shu Huaide; Vice Foreign Minister Tan Jiaxuan; and Zhang Qing, Chinese ambassador to Vietnam.

Present at the meeting on the Vietnamese side were Hong Ha, member of the VCP Central Committee's Secretariat and director of the VCP Central Committee's International Liaison Department; Nguyen Canh Dinh, Government Reception Committee head and water conservancy minister; Vice Foreign Minister Vo Qu An; and Dang Nghiem Hoanh, Vietnamese ambassador to China.

More on Meeting

OW2011132894 Beijing XINHUA in English 1040 GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—General Secretary of the Central Committee of the Communist Party of China (CPC) and Chinese President Jiang Zemin met with Nguyen Van Linh, advisor to the Central Committee of the Communist Party of Vietnam (CPV), in Ho Chi Minh City this morning.

During the meeting, Jiang called Nguyen an old friend of the Chinese people and praised him for his positive contribution to the normalization and development of relations between China and Vietnam.

He said both countries are now engaged in reform and opening-up and therefore faced with somewhat similar difficulties and problems.

Both have much of their experiences and practice which the other side may learn from or use for reference in their search for a path of development that suits their respective national conditions, Jiang said.

He said his current visit to Vietnam is aimed at further expanding economic and trade cooperation and developing good neighborliness and friendship with Vietnam.

At the meeting, Nguyen said exchange of experiences and closer cooperation between Vietnam and China benefit both sides.

He expressed the hope that China will become increasingly stronger and prosperous.

The Chinese president left Ho Chi Minh City this morning for Hanoi to continue his four-day official and goodwill visit to Vietnam.

Leaders Host 'Grand Ceremony'

OW2011134094 Beijing XINHUA in English 1110
GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—General Secretary of the Central Committee of the Communist Party of Vietnam (CPV) Do Muoi and Vietnamese President Le Duc Anh presided over a grand ceremony here today to welcome Jiang Zemin, general secretary of the Central Committee of the Communist Party of China and Chinese president.

Jiang was greeted by Do and Le at the square in front of the Presidential Palace this afternoon and then reviewed a guard of honor composed of the three services of the Vietnamese Army.

It was the first time that the CPV general secretary and the Vietnamese president held a ceremony jointly to welcome a visiting foreign head of state.

Jiang came to Hanoi from Ho Chi Minh City in the southern part of Vietnam this morning to continue his four-day official and goodwill visit to Vietnam.

Further on Ceremony

OW2011155194 Beijing XINHUA Domestic Service in
Chinese 1146 GMT 20 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730), Zhang Jiaxiang (1728 0502 4382), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Hanoi, 20 Nov (XINHUA)—On 20 November, Do Muoi, Central Committee of the Vietnamese Communist Party [VCP] general secretary, and Vietnamese President Le Duc Anh held a solemn ceremony at the square in front of the Presidential Palace to warmly welcome Jiang Zemin, CPC Central Committee general secretary and state president, on his official visit to Vietnam.

The square in front of the Presidential Palace is surrounded by green grass and vegetation and bright flowers. Erected on both sides of the main gate of the palace were huge placards with the inscription "Warm Welcome to Jiang Zemin" written in both Vietnamese

and Chinese. The national flags of China and Vietnam were fluttering over the square.

When Jiang Zemin arrived at Great Hall of the Presidential Palace at 1530 local time [0630 GMT], Do Muoi and Le Duc Anh, who had been waiting there, stepped forward to cordially shake hands with him. They warmly embraced each other. Fresh flowers were presented to Jiang Zemin by Vietnamese girls dressed in national costumes.

Amid the strains of music to welcome the guests, Jiang Zemin, accompanied by Do Muoi and Le Duc Anh, arrived at the square and mounted the reviewing stand. The military band played the national anthems of China and Vietnam while Jiang Zemin, accompanied by Do Muoi and Le Duc Anh, reviewed an honor guard composed of the Vietnamese People's Army's three services.

Attending the welcoming ceremony on the Vietnamese side were Phan Van Khai, VCP Central Committee Political Bureau member and vice premier; Nguyen Manh Cam, VCP Central Committee Political Bureau member and foreign minister; Hong Ha, VCP Central Committee secretary and director of its International Liaison Department; Nguyen Veit Dung, General Office of the President director; Nguyen Canh Dinh, Government Reception Committee head and water conservancy minister; Finance Minister Ho Te; Nguyen Cong Tan, agriculture & food industry minister and Vietnamese-Chinese Friendship Association chairman; Trade Minister Le Van Triet; Tran Hoan, culture and information minister; Pham Van [name as transliterated], VCP Central Committee Office director; Vice Foreign Minister Vo Kuan [name as transliterated]; and Dang Nghiem Hoang, Vietnamese ambassador to China.

Qian Qichen, State Council vice premier and foreign minister; Wen Jiabao, CPC Central Committee Political Bureau alternate member and member of the CPC Central Committee's Secretariat; Zeng Qinghong, special assistant and General Office of the CPC Central Committee director; Wang Zhongyu, State Economic and Trade Commission minister; Wu Yi, foreign trade and economic cooperation minister; Special Assistant Wang Weicheng; Special Assistant Shu Huaide; Vice Foreign Minister Tan Jiaxuan; who are accompanying Jiang Zemin on the visit; and Zhang Qing, Chinese ambassador to Vietnam, who attended the welcoming ceremony.

Jiang on Sino-SRV Ties

OW2011225594 Beijing XINHUA in English 1755
GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—General Secretary of the Central Committee of the Communist Party of China and Chinese President Jiang Zemin said today he is fully confident about the prospects of trade and economic cooperation between China and Vietnam.

At talks with Vietnam's top leaders here today, Jiang said the Sino-Vietnamese relationship has been restored and expanded in all fields over the past three years since the normalization of relations between the two parties and two countries.

Bilateral trade and economic cooperation is taking shape and gaining momentum, Jiang told Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam, and Vietnamese President Le Duc Anh at the Presidential Palace here this afternoon.

Jiang arrived in Vietnam yesterday for a four-day official goodwill visit.

Jiang said that while normal bilateral trade ties are being strengthened, cross-border trade between the two countries continues to grow.

In short, he added, the scope and depth of bilateral economic and trade cooperation is now developing.

He said there exists great potential for the development of many-sided trade and economic cooperation and enormous efforts have to be made by both sides to tap such potential.

During the talks, Do Muoi said the momentum of the development of bilateral economic and trade links is good.

A further expansion of such ties, he said, will not only benefit the economic development of the two countries but also lay down a solid foundation for the further development of the good neighborly relations and friendship between them.

He said Vietnam was willing to join efforts with China in further advancing such mutually-beneficial relations.

During the talks, the two sides also exchanged views on other issues of common interest.

SRV President Hosts Banquet for Jiang

OW2011230194 Beijing XINHUA in English 1842 GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—Vietnamese President Le Duc Anh said today that Chinese President Jiang Zemin's current visit here is an event of historic significance and a new milestone in the development of friendship and cooperation between the communist parties of Vietnam and China and the two countries.

In his toast at a banquet in honor of Jiang here this evening, Le Duc Anh said the Vietnamese people have always cherished the memory of the enthusiastic support and huge aid given by the Chinese people to their revolutionary cause.

He said vigorous development has been recorded in the friendly exchanges between Vietnam and China at various levels and cooperation in various fields has kept

increasing since the normalization of relations between the two countries three years ago.

He said Vietnam will join efforts with China to ensure that Sino-Vietnamese relations enter a new stage of long-term and stable development with the 21st century in perspective.

He said the success of Jiang's visit to Vietnam will make great contributions to the realization of the common desire of the two peoples for the everlasting Sino-Vietnamese friendship.

Jiang, in his toast, said exchanges and cooperation between the two countries have been restored and expanded in the fields of politics, economy, science and technology and culture since the normalization of relations between the two countries three years ago.

He said there do exist some problems between the two countries, to which "we should seek appropriate solutions" through negotiations, and "we should not let them affect the normal growth of the relations between our two countries" if their immediate solution is not possible.

Jiang stressed that the Chinese Communist Party and Government will steadfastly consolidate and develop friendly and cooperative relations with Vietnam, which he said is not only in keeping with the fundamental interests of the two countries but also conducive to world peace, stability and development.

More on Banquet

OW2111030994 Beijing XINHUA Domestic Service in Chinese 1644 GMT 20 Nov 94

[By reporters Hu Suojin (5170 6956 6930), Wei Guoqiang (7614 0948 1730), and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Hanoi, 20 Nov (XINHUA)—Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee, and Le Duc Anh, Vietnamese president, hosted a banquet at the Presidential Palace here this evening to warmly welcome visiting Chinese President Jiang Zemin.

This evening, the Vietnamese Presidential Palace banquet hall was brilliantly illuminated and permeated with a warm atmosphere of Vietnamese-Chinese friendship. As soon as Jiang Zemin, accompanied by Do Muoi and Le Duc Anh, arrived at the banquet hall, the band played the Vietnamese and Chinese national anthems.

Proposing a toast, Le Duc Anh said the Vietnamese party and people look upon President Jiang Zemin's visit as an historically significant event, marking a new milestone on the road of development of friendly cooperation between the Vietnamese and Chinese parties and between the two countries.

Le Duc Anh said the Vietnamese people always bear in mind the Chinese people's enthusiastic support and great help to the cause of revolution carried out by the former and are sincerely pleased with the tremendous achievements scored by the latter in reform and opening up for the Chinese nation's regeneration. He sincerely wished the Chinese people to achieve more splendid, new successes on the road of building socialism with Chinese characteristics and make important contributions to peace, cooperation, and development in the Asia-Pacific region and the rest of the world.

Touching on bilateral relations, Le Duc Anh said: Friendly contacts between Vietnam and China are developing rapidly and their cooperation in various fields are expanding continuously after the two countries normalized relations. We will make joint efforts to enable Vietnamese-Chinese relations to enter a period that enjoys long-term stability with the two having their eyes on the 21st century.

Finally, Le Duc Anh said: "We are very pleased to see that the two sides reached a consensus in their talks this afternoon on a number of basic orientations and important measures for strengthening Vietnamese-Chinese relations. We can say that the success of President Jiang Zemin's visit will make great contributions to fulfilling the common desire cherished by the peoples of the two countries for Vietnamese-Chinese relations to pass from generation to generation and last forever."

In his thank-you speech, Jiang Zemin spoke highly of the Vietnamese people's tremendous achievements in carrying out reform, opening up, and socialist construction in recent years.

Jiang Zemin said: China and Vietnam are linked by common mountains and rivers. The traditional friendship between their peoples goes back to ancient times. The exchanges and cooperation between China and Vietnam in various fields, including politics, the economy, science and technology, and culture, enjoyed sweeping restoration and development in the past three years after the two countries normalized relations. We are gratified at the further development of Sino-Vietnamese friendship under the new situation.

He pointed out: "There is no need for reticence about the fact that some problems also exist between the two countries. We should persist in properly solving them through talks. If they cannot be solved for the moment, we should not let them influence the normal development of relations between the two countries. We have always believed that there are many common interests between China and Vietnam and that Sino-Vietnamese friendship conforms to the common desire of their peoples."

Jiang Zemin stressed: "Continuously consolidating and developing Sino-Vietnamese friendship and cooperation is a steadfast policy of China's party and Government. It is not only in the two countries' fundamental interests,

but conducive to peace, stability, and development in the region and the rest of the world. We believe the flower of friendship between the two countries and between their peoples will, no doubt, blossom more resplendently through joint efforts by the two sides.

Qian Qichen, vice premier of the State Council and concurrently foreign minister; Wen Jiabao, alternate member of the CPC Central Committee [CPCCC] Political Bureau and member of the CPCCC Secretariat; and others accompanying Jiang Zemin on his visit were present at the banquet.

Among the Vietnamese attending the banquet were Deputy Prime Minister Phan Van Khai and Foreign Minister Nguyen Manh Cam.

Jiang Zemin Meets Prime Minister

OW2011230694 Beijing XINHUA in English 1848
GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—Chinese President Jiang Zemin said today that he is pleased to see the rapid restoration and development of Sino-Vietnamese relations in the past few years.

Meeting with Vietnamese Prime Minister Vo Van Kiet here this afternoon, Jiang said there still exists great potential for bilateral trade and economic cooperation.

He said that during his visit, the two governments will sign several agreements, which he said will help push bilateral trade and economic cooperation toward sustained and healthy development.

Vo Van Kiet agreed. And he expressed the belief that mutually-beneficial cooperation will increase still further through joint efforts.

The Chinese president, who is on a four-day official goodwill visit to Vietnam, watched theatrical performances organized by the Vietnamese Ministry of Culture and Information here this evening after attending a banquet in his honor.

More on Meeting

OW2111011194 Beijing XINHUA Domestic Service in Chinese 1550 GMT 20 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Hu Suojin (5170 6956 6930)]

[FBIS Translated Text] Hanoi, 20 Nov (XINHUA)—Visiting Chinese President Jiang Zemin cordially met with Vietnamese Prime Minister Vo Van Kiet here this afternoon.

Jiang Zemin said during the meeting: In recent years, Sino-Vietnamese relations have been restored and grown rapidly. In addition to constant high-level contacts, the exchanges between the two countries' government departments and mass organizations are becoming more and more frequent with each passing day, and friendship

and cooperation between their provinces and cities have been strengthened. He said: It is gratifying that there has been greater development in Sino-Vietnamese economic relations and trade; bilateral trade volume this year has increased a fairly large margin compared with last year, and investment cooperation has expanded.

Jiang Zemin said: Sino-Vietnamese economic cooperation and trade still have great potential. The several economic and trade cooperation documents to be signed between the two governments during my visit will help promote a sustained and healthy development of bilateral economic cooperation and trade.

Vo Van Kiet said: President Jiang Zemin's visit to Vietnam is the first such visit ever made by a top Chinese party and state leader. Vietnam is very pleased with the visit and attaches great importance to it.

Vo Van Kiet said that in the three years since Vietnam and China normalized diplomatic relations, bilateral relations in all fields have been restored and developed rapidly and prospects for economic cooperation and trade are broad. He expressed his hope and belief that with efforts by both sides, bilateral relations of mutually beneficial cooperation will surely be further developed.

Jiang Zemin conveyed Premier Li Peng's regards and best wishes to Prime Minister Vo Van Kiet and asked him to visit China again any time convenient to him. Vo Van Kiet expressed his thanks.

Present at the meeting on the Chinese side were Qian Qichen, vice premier and foreign minister; Wen Jiabao, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee; Zeng Qinghong, special assistant and director of the CPC Central Committee General Office; and Zhang Qing, Chinese ambassador to Vietnam. Present on the Vietnamese side were Nguyen Manh Cam, foreign minister, and Dang Nghiem Hoang, Vietnamese ambassador to China.

Leaders Discuss Bilateral Ties

OW2011230294 Beijing XINHUA in English 1805
GMT 20 Nov 94

[FBIS Transcribed Text] Hanoi, November 20 (XINHUA)—China and Vietnam agreed today to place the interests of Sino-Vietnamese friendship and peace and stability in their region above everything else and not to let their differences affect normal development of bilateral ties.

During their talks here this afternoon, the top leaders of China and Vietnam pledged to seek appropriate solutions to problems existing between the two countries through patient consultations and in line with the agreement of principle reached between them.

The talks were held between General Secretary of the Central Committee of the Communist Party of China

and Chinese President Jiang Zemin and General Secretary of the Central Committee of the Communist Party of Vietnam Do Muoi and Vietnamese President Le Duc Anh at the Presidential Palace here.

The two sides also shared the view they should make efforts to expand consensus, seek common grounds while reserving differences and prevent those differences from affecting the normal development of the good neighborly and friendly relations between the two countries.

At the talks, Jiang expressed satisfaction over the new development of the traditional friendship between China and Vietnam under the new situation.

He said Sino-Vietnamese ties have been restored and developed in all fields in the past three years since the normalization of relations between the two parties and two countries. Bilateral trade and economic cooperation is taking shape and gaining momentum, the Chinese leader said.

Both sides, Jiang said, have made positive efforts to solve their border problems and territorial disputes left from history and they have reached the agreement of principle on resolving the issues.

Jiang said that both China and Vietnam are now engaged in reform and opening-up and both are faced with important tasks of speeding up economic development. They share identical or similar views on many major issues.

He pointed out that China and Vietnam have found their own path of development suited to their specific national conditions and have made achievements which have attracted world-wide attention.

All these, Jiang emphasized, constitute a key foundation for the further consolidation and development of good neighborliness, friendship and mutually-beneficial cooperation between the two countries.

Jiang said, the two countries should and can develop the friendship forged by the leadership of the older generation of the two countries on the basis of treating each other sincerely, respecting each other and seeking common grounds while reserving differences.

During the talks, Do Muoi said exchange of experience between Vietnam and China is of tremendous benefit to both sides.

He said it is Vietnam's long-term policy to continue developing the traditional and friendly relations with China, which he believes is in keeping not only with the interests of the peoples of the two countries but also with peace, stability and development in their region.

Do Muoi also said Jiang's current visit to Vietnam reflects the great importance attached by the Chinese Government to Sino-Vietnamese relations and will be another milestone in the development of such relations.

He spoke highly of the role of the high-level meetings between the two sides, which he said have charted the course of the development of bilateral relations.

Jiang invited Do Muoi and Le Duc Anh to visit China again. The Vietnamese leaders accepted the invitation.

Jiang Lays Wreath at Mausoleum

*OW2111060094 Beijing XINHUA in English 0511
GMT 21 Nov 94*

[FBIS Transcribed Text] Hanoi, November 21 (XINHUA)—Visiting Chinese President Jiang Zemin today laid a wreath at the Ho Chi Minh Mausoleum here to pay his respect to the late Vietnamese leader.

On the ribbons of the wreath were written: "Eternal Glory to Chairman Ho Chi Minh, Great Leader of the Vietnamese People and Close Friend of the Chinese People."

The late Vietnamese leader died in September 1969 and the construction of the mausoleum was completed six years later.

Jiang Zemin also visited the residence where Ho Chi Minh once lived and worked. On the visitor's book, Jiang wrote: "A life of revolution and model of honesty."

Before he came to the Ho Chi Minh Mausoleum, Jiang also laid a wreath at a monument to heroes, facing the mausoleum.

Jiang Zemin is on a four-day official and goodwill visit to Vietnam, the last leg of his four-nation Asian tour. He has already visited Singapore, Malaysia and Indonesia.

Vietnamese Diplomat Discusses Trade, Economic Ties

*BK2111131494 Beijing China Radio International in
Vietnamese 1100 GMT 20 Nov 94*

[FBIS Translated Text] Dear friends: China and Vietnam are two neighboring countries that share many mountains and rivers as well as an age-old tradition of friendship. More and more exchanges of visits by high-level Chinese and Vietnamese leaders have been made since the normalization of relations in November 1991. As a result, bilateral economic and trade ties have reached a new level of development with each year.

Our station correspondent recently interviewed the commercial counselor at the Vietnamese Embassy in China on the restoration and development of Chinese-Vietnamese economic and trade ties. Counselor Nguyen Van Tho attended the Beijing Institute of Foreign Trade—the former name of the Beijing College of Economics and Trade—for five years and has worked at the Vietnamese Embassy in China for nearly five years. He told us about Sino-Vietnamese border trade in fluent Chinese.

He said Sino-Vietnamese border trade began as early as 1988. It responds to the interests of the people. Border trade helps promote the production of enterprises, regulate market supply and demand in the border areas, and improve the livelihood of Chinese and Vietnamese living along the common border. Today, border trade activities are developing dynamically and are yielding very fine economic results. Of course border trade activities still produce a number of negative phenomena, such as fake goods, shoddy products, smuggling, tax evasion and tax fraud, and so forth. Counselor Nguyen Van Tho emphatically said that these negative phenomena exist on both sides. Nonetheless, this should not be a big cause for concern. It will take some time for both sides to make efforts to eliminate them.

Counselor Nguyen Van Tho disclosed that to step up management over border trade activities, the Chinese and Vietnamese Governments have signed agreements on goods transit and on product quality control. He said the two governments attach great importance to the promotion of regular trade activities. China exports integrated equipment and machinery, cement and textile products, processed agricultural products and by-products, and so forth to Vietnam. One should also mention pesticides, chemical products, and over-the-counter pharmaceutical products. Vietnam sells to China sea products, fruit and vegetables, agricultural products, agricultural byproducts such as cashew nuts and silkworm cocoons, vegetable oil such as anis and cinnamon bark-based oil, pharmaceutical products, furniture, coal, and so forth. Over the past six months, the bilateral trade index has reached as much as \$260 million, an increase of 65 percent over the same period last year.

Counselor Nguyen Van Tho said China and Vietnam have very great potential for regular trade promotion. Nonetheless, the current trade index is far from being very substantial. This is mainly because the two sides have just restored relations and need more time to study each other's needs. A number of Chinese companies have been permitted to open representative offices in Vietnam to study trade opportunities there, whereas no Vietnamese companies has yet established a representative office in China. China has a large market that is developing quickly and undergoing changes. Therefore, it is relatively difficult to assess the situation.

Vietnam has signed trade agreements with more than 70 countries and established trade ties with more than 100 countries worldwide. Key partners include neighboring and regional countries like China, Singapore, Hong Kong, Taiwan, Japan, the Republic of Korea, and so forth. In addition, Vietnam is attracting substantial foreign investment capital. Since the promulgation of the Law on Foreign Investment in Vietnam by the Vietnamese Government in December 1987, more and more foreign companies have invested in Vietnam. More than 700 companies from 40 countries like Japan, the Republic of Korea, the United States, France, the Federal Republic of Germany, Singapore, Taiwan, Hong

Kong, and so forth have invested in Vietnam. Agreements on more than 1,000 projects valued at \$10 billion have been signed to date.

China's investment in Vietnam is relatively small. Projects that fall under Vietnam's investment promotion policy include infrastructure building and areas of activity and trades that help boost production or improve Vietnam's technological knowledge. It is known that the equipment and machinery in more than 300 projects built in Vietnam with Chinese assistance have grown old. Vietnam is looking for partners to undertake cooperation programs to improve this equipment and machinery.

Before concluding the interview, Counselor Nguyen Van Tho disclosed that sister city relations have been established between Shanghai and Ho Chi Minh City, Beijing and Hanoi Municipality, and Tianjin and Haiphong. It is hoped that investment and bilateral cooperation will develop vigorously.

'Consensus' on SRV Dispute Settlement Viewed

HK2111064194 Beijing CHINA DAILY in English 21 Nov 94 p 1

[By Wang Yong: "Consensus Reached on Settling Disputes"]

[FBIS Transcribed Text] Hanoi—China and Vietnam have reached certain consensus on the principles guiding the settlement of bilateral disputes, Chinese Foreign Ministry spokesman Chen Jian said yesterday.

Although the two sides did not discuss specific issues such as the Nansha Islands, Chen said the general consensus is significant in that it will be conducive to bilateral good neighbourly relations and future settlement of disputes.

Chen was commenting on talks between Chinese Communist Party Central Committee General Secretary and President Jiang Zemin and Vietnamese Communist Party General Secretary Do Muoi and President Le Duc Anh.

Jiang and the Vietnamese leaders exchanged views on bilateral issues and other issues of common concern in a "friendly and amiable atmosphere," Chen said.

"Both sides agreed to proceed in line with the overall interest of Sino-Vietnamese friendship and regional peace and stability while trying to settle certain issues."

During the talks, Jiang pointed out that China and Vietnam, now both engaged in reforms and opening to the outside, have many things in common.

"This constitutes a solid foundation for the development of our bilateral good neighbourly relations," he said.

Jiang expressed the hope that the two nations will, on the basis of mutual respect, treat each other with sincerity and seek common ground while putting aside disputes.

This would further develop the friendly relations forged by leaders of the older generation.

"Our geographic and economic complementarity guarantees vast potential for various forms of cooperation. And we should make joint efforts to tap the potential," Jiang said.

The two countries are scheduled to sign three agreements in Hanoi today on cross-border truck transportation, the quality guarantee in trade and the establishment of a joint commission on economic and trade co-operation.

Do Muoi described Jiang's visit as a landmark in bilateral relations that will be conducive to the region's peace and stability.

Du Muoi spoke highly of the full resumption and development of bilateral relations since the normalization of ties about three years ago.

The Vietnamese leaders reaffirmed that the development of traditional friendly ties with China is a key policy of Vietnam.

At a welcome banquet yesterday, Jiang said China and Viet Nam share many common interests. It is the hope of both peoples to see the two neighbourly countries in a friendly relationship.

Jiang arrived in the Vietnamese capital yesterday after a overnight stay in the southern Vietnamese city of Ho Chi Minh where he met with Vietnamese Politburo Member Vo Tran Chi. Jiang's four-day official visit to Vietnam will end tomorrow.

Vietnam is the last stop on the president's two-week trip which included visits to three other Southeast Asian countries—Singapore, Malaysia and Indonesia—and participation in the second informal summit of Apec leaders in Jakarta.

Spokesman Gives Briefing on Talks

OW2011132294 Tokyo KYODO in English 1256 GMT 20 Nov 94

[FBIS Transcribed Excerpt] Hanoi, Nov. 20 KYODO—Chinese President Jiang Zemin met Vietnamese leaders in Hanoi on Sunday [20 November] and told them the two countries should promote trade and resolve their territorial differences peacefully, a Chinese Foreign Ministry spokesman said.

Spokesman Chen Jian added, however, that Jiang did not discuss any specifics of the two countries' conflicting territorial claims during his "cordial and friendly" talks with Communist Party General Secretary Do Muoi and President Le Duc Anh.

Jiang, the first Chinese Communist Party head ever to visit Vietnam, arrived in Hanoi earlier in the day for a three-day "official goodwill visit" after an overnight stopover in Ho Chi Minh City, Vietnam's southern economic hub and home to half a million ethnic Chinese.

"President Jiang Zemin said that the geographical advantages as well as the high degree of economic mutual complementarity between the two countries, presents vast potentials for various forms of economic cooperation," Chen said.

"Both sides should make major efforts to tap such potentials," he quoted the Chinese leader as saying. The Vietnamese side was said to have shared that sentiment.

Jiang was further quoted as saying he is "fully confident about the prospect of economic cooperation and trade between the two countries."

He hailed the fact that some Chinese companies have already received permission to open up offices in Vietnam, while Chinese investment in Vietnam is on the increase and border trade between the two countries has become more orderly.

The spokesman said at least three documents would be signed during Jiang's visit, namely one on the establishment of a bilateral economic and trade commission, another on insuring the quality of import and export goods and the last one on truck transportation.

"We believe and hope that the conclusion of those agreements will promote trade cooperation and exchanges between the two sides," Chen said.

He suggested an agreement on rail transportation was not in the cards as the issue is "still under discussion."

The spokesman added the two sides may issue a joint communique at the end of the visit. [passage omitted]

The Chinese spokesman said that with regard to territorial matters, "the two were of the view that...both sides will proceed from the overall interests of the friendly relations between the two countries as well as the overall interests of peace and stability in this region."

Chen said they agreed "to seek appropriate solutions to these problems by adhering to patient consultations."

"The two sides believe that they should enhance their common understanding, seek common ground, while putting aside their differences so that these problems will not affect the normal development of friendly and good-neighborly relations between the two countries," he said.

Chen said Vietnamese leaders told Jiang that Hanoi wants to "constantly develop" its relations with China.

"This is not only conducive to the interests of the two peoples but also serves the needs of peace, stability and development in this region," the Vietnamese were quoted as saying.

The spokesman said the two sides did not discuss the issue of Cambodia or Vietnam's entry into the Association of Southeast Asian Nations (ASEAN).

Daily Hails Jiang Zemin's First Visit to Vietnam
HK1911073294 Hong Kong TA KUNG PAO in Chinese
19 Nov 94 p 3

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Jiang Zemin Visits Vietnam Today for the First Time"]

[FBIS Translated Text] Sovereignty Over Nansha [Spratly] Islands To Be Discussed

In the wake of his participation in the non-official APEC summit in Bogor, President Jiang Zemin unfolded an official visit to Indonesia, and is scheduled to arrive today [19 November] in Vietnam's capital, Hanoi, for a four-day visit (meaning that he will depart Vietnam on 22 November). This is the first time the general secretary of the CPC Central Committee and concurrent state president has visited Vietnam.

China and Vietnam are close neighbors, linked by common mountains and rivers. Today, the two countries are making rapid progress on the broad road of reform, opening up, and national construction, centering around national economic development. Each of the two countries has its own merits in experiences in these fields, while they have a good deal of common language. Such being the case, it is expected that through Jiang Zemin's current visit to Vietnam, the two countries will score new results in promoting mutual understanding, exchanging experience, complementing each other, and helping supply each other's needs.

One of the disputes between China and Vietnam is the Nansha Islands issue. It is expected that the current summit does not look forward to a new breakthrough on this issue; however, it is believed that there will be greater development in economic and trade exchanges. The two sides will work out a solution to that dispute with a flexible approach based on the principle of peaceful negotiation.

Prior to his Vietnam visit, Jiang Zemin has already visited Singapore, Malaysia, and Indonesia, all three of which are ASEAN members. During his visits to the three countries, Jiang Zemin stressed China's stand, which is that China will never seek hegemony; even when it becomes an economic power one day, it will never seek hegemony. By no means will China threaten other countries. The so-called "China threat" spread in the world is a fabrication that is not worth refuting. China has repeatedly set out that the sovereignty of the Nansha Islands can be shelved, and various related countries may exploit its resources in cooperation.

China Attaches Importance to its Relations With Vietnam

China's friendly relations with ASEAN have developed continuously since the end of the Cold War. As a regional organization, ASEAN has an especially conspicuous place and role in such affairs as promoting regional

cooperation and safeguarding regional cooperation and peace. China pursues a foreign policy characterized by independence, peace, and taking the initiative in its own hands. It is willing to further expand exchanges and cooperation with various ASEAN countries in economy, trade, science, technology and culture, and it sincerely hopes to establish long-range stable, good-neighborly, and friendly relations with various ASEAN countries. Facts have proven that since the implementation of reform and opening up, China all along has worked hard at establishing relations with ASEAN based on equality and mutual benefit, thus winning the trust and admiration of various ASEAN countries. Even Indonesia, which always had kept its distance from China, also has changed its stance toward China. This suffices to prove that China has worked hard to create an international peaceful environment out of sincerity and necessity.

As of today, Vietnam is not an official ASEAN member; however, it soon will participate in this regional organization (by estimation in July 1995). New development in Sino-Vietnamese relations is possible only when such ties are founded on mutual trust. This being the case, Jiang Zemin's first visit to Vietnam in the capacity of CPC general secretary and concurrent state president, demonstrates extraordinary significance.

Two-Day Sino-Vietnamese Summit Talks

Jiang Zemin is scheduled to visit Hanoi on 20-21 November, and to hold summit talks with General Secretary Du Muoi of the Vietnamese Communist Party and Prime Minister Vo Van Kiet, in order to state China's stance. The two sides are looking forward to a new breakthrough in their relations and disputes. Three years ago, China and Vietnam achieved normalization in their relations, and the two countries have continuously augmented economic exchanges and mutual understanding. Jiang Zemin's visit today is a fine opportunity to further develop Sino-Vietnamese multilateral relations.

Sino-Vietnamese relations have undergone setbacks and changes, from high tide to ebb. The Sino-Vietnamese conflict in 1979 resulted in a zero point in bilateral relations. Today, Sino-Vietnamese border trade is going on, and the economic life of the peoples of the two countries is improving with each passing day. Peoples of the two sides enter each other's territory with the surfacing of friendly atmosphere rarely seen before.

The fact that Jiang Zemin arrives in Hanoi today will go down in the history of Sino-Vietnamese relations as an extraordinary date.

Political & Social

Hu Jintao Urges Selecting More Women for Key Posts

HK1911075894 Beijing CHINA DAILY in English
19 Nov 94 p 3

[By Xu Yang: "Women To Occupy Leading Roles"]

[FBIS Transcribed Text] A senior party leader yesterday vowed to select more women officials for more crucial posts over the next few years.

Hu Jintao, a member of the Chinese Communist Party Politburo, told an annual convention of the All-China Women's Federation (ACWF) that it should be written into the agenda of the Party to help women rise to key government posts and realize their potential.

Hu also asked the ACWF branches at all levels to organize women to plunge into the country's ongoing economic construction.

He elaborated that ACWF should spend more time eliminating illiteracy among women and running agriculture and other training courses in rural areas.

Women's organizations in the cities should help create new employment opportunities and enhance women's competence in a market economy.

The convention opened yesterday morning in Beijing and those in attendance heard a work report from the ACWF Standing Committee.

The report said that in the first seven months of this year, about 3 million women had learned to read and write with the help of ACWF.

In the past year, ACWF headquarters in Beijing and provincial branches in Shanghai, Zhejiang, Guangdong, Tianjin, Gansu and Ningxia joined hands to train more than 430 women officials and farming technicians for poverty-stricken counties.

'Leftists' Mount Offensive Against 'Liberals'

HK2111035294 Hong Kong SOUTH CHINA
MORNING POST in English 21 Nov 94 p 10

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] The power struggle between Maoist and liberal politicians has intensified as they jockey for position before the death of patriarch Deng Xiaoping.

Leftists, or remnant Maoists under the direction of veteran ideologue Deng Liqun, known as Little Deng, have recently mounted a new offensive against "bourgeois liberals" and commissars who have gone soft on the campaign against Western ideals. This took the form

of articles in the November issue of the monthly Zhenli de Zhuiqu, or Seeking Truth, the mouthpiece of the Maoists.

The journal has gone on publication [sentence as published] despite orders by the Communist Party's Propaganda Department and the Deng household that it be stopped at least temporarily.

Either in name or obliquely, Seeking Truth attacked the views on state enterprises of liberal cadres including veteran economist Yu Guangyuan and the First Vice-Chairman of the Chinese People's Political Consultative Conference, Ye Xuanping.

Referring to Mr Ye's famous statement, the journal said it was wrong to argue the state sector was but one of the four legs of the table, and that for the economy to grow, it required other legs such as the collectives the private sector, and foreign capital. The hardline ideologues also criticised those who seemed to have gone soft on the campaign against bourgeois liberalisation.

Conservative philosopher Xing Benshi was attacked by Seeking Truth as having erroneously denigrated classic socialism. Earlier, Mr Xing had said that traditional socialism lacked the ability to promote productivity.

The head of the municipal Organisation Department in a Shandong province city was also castigated for advocating that the more law-abiding among private entrepreneurs should be inducted into senior positions.

"Little Deng has not been cowed by criticism by patriarch Deng and his household," a source said. "The fact that such a journal as Seeking Truth could defy attempts to close it speaks much about the staying power of the ideologues."

At the same time, liberal intellectuals and cadres have left Beijing and been active in coastal regions such as Guangdong, Hainan, and Fujian. Last week, Guangzhou authorities hosted a "consultative conference" on financial reform and development to tap the views of experts from different sectors. Liberal economists such as Yu Guangyuan and Xiao Zhuoji were present despite their harsh treatment at the hands of the Beijing ideologues.

In Hainan, the head of the local, Economic Research Academy, Chi Fulin, has organised a series of seminars on the economy and tourism which have attracted avant-garde theorists. Such activities have reportedly been supported by non-mainstream party elders such as former president Yang Shangkun, who have made extensive trips to the regions to give support to local reformists and officials.

RENMIN RIBAO on Improving Party Work Style

HK2111064994 Beijing RENMIN RIBAO in Chinese
7 Nov 94 p 5

[Article by Chen Zuolin (7115 0155 7207): "Enhance the Mass Viewpoint To Do Well in Building of Party Work Style"]

[FBIS Translated Text] At a crucial moment in China's bid to push forward reform, opening up, and the socialist modernization drive, the party Central Committee, with Comrade Jiang Zemin at its core, came out with a decision concerning some major issues on strengthening party building. With a far-reaching significance for China's overall situation, the "Decision" pointed out: "Continued efforts must be made to improve the party's work style and carry on the deep struggle against corruption in a sustained way. We must be aware that the issue of party work style is a matter of life and death for our party as the ruling party." It still remains a major task for us under the current new situation of the socialist market economic development as to how to continue implementing the principle of administering the party strictly and pay sustained attention to the building of our party's work style. Comrade Deng Xiaoping once pointed out: "Straightening the work style of the party is of vital importance to our rectification of the general mood of the society." The reason why our party has always attached great importance to the building of its work style is that the work style of a political party not only embodies the party's nature and aims but also serves as an external sign of the purity of party spirit of both party organizations and party members.

The building of the party's work style is directed related to the nature of the proletarian vanguard. During the process of socialist market economic development, and under the conditions of reform and opening up, fairly large changes have occurred in the tasks and situations facing the party. If party members fail to uphold the party's fundamental aims, establish a correct outlook on the world and on value, resist the erosion of decadent ideologies or transform their own subjective world while reforming the objective world, such corrupt practices as power abuse and money worship will easily emerge and spread within the party and, as a result, the party will face the immediate danger of degeneration.

The building of the party's work style has a direct bearing on the implementation of the party's line, principles, and policies. Without a sound work style, the party will be unable to: Ensure a satisfactory implementation of its line, principles, and policies; uphold its organizational system; or to improve democratic centralism.

The building of the party's work style exerts a direct impact on the party's ties with the masses and on the success of the party's cause. Both history and reality have proved that the will of the people is of a vital importance to the existence of a political party. It is through the work style and behavior of party members and party organizations that the vast numbers of the masses get to know and understand our party. With a sound work style, our party can enjoy a high reputation among the masses and win the support and endorsement of the masses for its cause. Otherwise, the cause of our party will be ruined, as the water which carries a boat can also capsize it.

I. To Step Up the Building of the Party's Work Style, We Must Persistently Uphold the Party's Mass Line and Regard the People as the Foundations For Our Victory

Comrade Jiang Zemin pointed out: "It was based on its close ties with the masses of the people that our party was born, grew up, and became stronger and stronger. Without the support of the masses of the people, our party will be unable to survive even for a single day." During both the periods of revolution and construction, the party's leadership has always manifested itself in the practical process of establishing ties with and relying on the masses. Comrade Deng Xiaoping once pointed out that the CPC is an aggregate of advanced elements from China's working class and the laboring people; therefore, the interests of the party represent the fundamental interests of the vast numbers of the masses. He noted: "Acknowledgement of this party concept means acknowledgement that the party is not entrusted with a power that overrides the power of the masses of the people; that the party has no right to bestow favors to, monopolize everything for, or impose mandatory orders on the masses of the people; and that the party is not empowered to act like overlords sitting on the backs of the masses of the people." It has been decided by the historic position of the people and the fundamental aim of the party that the party must establish a firm mass viewpoint. Only when one has a mass viewpoint can one persistently carry out the mass line and serve the people wholeheartedly in both words and deeds.

Relying on the popular support of the masses of the people, our party has won the victory of revolution, consolidated its political power, and turned itself into a ruling party. However, this does not mean that we can estrange ourselves from the masses, cut ourselves off from the masses, or stop taking the needs and interests of the masses as the point of departure in our work. Once it is separated from the masses of the people, the party will lose the grounds and significance for its existence, and will end up like a rootless tree or a sourceless river. In view of this, our party cadres must establish, both today and in the future, the concept of building a party serving the interests of the people, make correct use of their power entrusted by the people, heighten self-restriction, and refrain from abusing authority for personal gain.

II. To Step Up the Building of the Party's Work Style, We Must Always Bear in Mind the Party's Aim of Serving the People and Hold Ourselves Responsible to the People

Marx and Engels pointed out in "Manifesto of the Communist Party": "All movements in the past were pursued by a minority of people or carried out in their interests. The movement of the proletariat is, however, an independent one which is carried out in the interests of the majority of people." Our party has established the principle of "serving the people wholeheartedly" as its aim, regarding this as both the starting point and the end result in all its practical activities. To make our cause

comply with the objective law guiding the development of the society, we must, when serving the people, proceed in all cases from their fundamental interests. It should be said that ever since our party came to power, we have been enjoying better conditions for serving the people. However, for certain people, changes in their positions have also brought changes to their way of thinking; as a result, they have cut themselves off from the masses and deviated from the aim of the party. Power is actually responsibility entrusted by the people and should therefore be used to serve the people. However, some people regard power as a remuneration while others even abuse their power for personal gain, "refusing to carry out their official duties if they cannot gain any benefit," thus becoming "joints" which can only be driven through by money and gifts.

Being the public servants of the people, cadres should always concern themselves with the weal and woe of the people and try to find solutions to their practical problems. However, some cadres act like overlords and ride roughshod over the people and are considered "corrupt officials" by the people, while others do no practical work but merely engage in paying lip service. Although such instances are exceptional, the future of our party will be at stake if we fail to straighten out these problems and prevent them from evolving into unhealthy tendencies in the society. Instead of holding themselves responsible to whoever has greater authority, whoever cannot be offended, and whoever has the say on the promotion of cadres, leading cadres should take the lead in establishing the spirit of holding themselves responsible to the people and must have the courage so to do. By going deep down among the masses, holding themselves responsible to the people, and handling official business in particular units and departments, our cadres can accomplish more practical work for the masses of the people and bring them more visible benefits. Leading cadres in particular, must go down to certain localities or units and hold themselves responsible to the work there. Meanwhile, they must have a clear idea as to what work style and behavior they are going to adopt to influence local cadres and the masses and what kind of cadre contingent they are going to nurture.

III. To Step Up the Building of the Party's Work Style, We Must Continue Carrying Forward the Spirit of Hard Struggle and Share the Comforts and Hardships of the Masses

Over the past decade and more, China has attained remarkable achievements in economic construction and the living standards of the people have also been enhanced considerably. This success, acknowledged by the world, allows of no doubt. However, it does not mean that we can now abandon the party's fine traditions and work style, give up our thrifty and simple lifestyle and begin living in luxury, move into luxuriously decorated and furnished houses, drive expensive limousines, entertain in restaurants and karaoke bars, drink nothing but imported wines, and eat nothing but delicacies. We must

notice that our country's material foundations are still weak and fragile, tens of thousands of people are still plagued by the problem of having insufficient food and clothing, a considerable number of our children have to rely on donations to carry on their studies at school, and workers and staff in a number of enterprises and undertakings are insecure about their pay. All these require our party members, especially leading cadres, to concern themselves with the future of the country and the people, share the comforts and hardships of the masses, maintain and carry forward the fine tradition of hard struggle, and devote themselves wholeheartedly to the economic construction and social development of the country.

Since the beginning of last year, the party has set out, one after another, a total of "10 requirements" for leading cadres on exercising self-discipline and staying honest in performing their official duties. These have proved to be important measures the party has taken to strengthen the building of its work style and to deepen the struggle against corruption. Therefore, we must gain a better understanding of these measures from the high plane of principle. For example, the stipulation which prohibits leading cadres from using luxury cars is not merely a matter regarding cars but an issue concerning the party's ties with the masses and concerning the political influence, the attitude, and the ideological style of our leading cadres. Comrade Mao Zedong was always against the ancient practice that "clothes and food are graded for people of different social strata."

Opposing the idea that prerogatives and privileges go with positions and advocating the practice of "sharing joys and sorrows with the people," Comrade Mao Zedong lived frugally throughout his entire life, thus setting a glorious example for the whole party. Comrade Deng Xiaoping has also called on senior cadres on many occasions to play an exemplary role in practicing thrift and exercising self-discipline, to remain clean and honest in performing their official duties. He noted in his article entitled "Senior Cadres Should Take the Lead in Carrying Forward the Party's Fine Traditions": "It is our historical experience that the more straitened circumstances we are faced with, the greater concern we must show for the masses. So long as we are concerned for the masses, become one with the masses, seek no personal privileges, and bear hardships together with the masses, we can easily resolve any problem and overcome any difficulty." This remark has profound political implications. Hard struggle is a major magic weapon of our party, and also a concrete measure for enhancing the party's centripetal and unifying forces. What is more, hard struggle is the need of our drive for four modernizations, and also a spiritual power for the party to resist the erosion of decadent ideologies. Only those party members who engage themselves in hard struggle and work selflessly for the public interests can gain the admiration and esteem of the masses; only those party organizations which are neither arrogant nor wallowing in luxury and which share the comforts and hardships of the masses can produce a tremendous influence on the

masses; and only those cadres who "dedicate themselves wholeheartedly to the service of the country" and work diligently and honestly can successfully unite and guide the masses to fulfill the grand cause of reform, opening up, and the four modernizations.

IV. To Step Up the Building of the Party's Work Style, We Must Rigorously Enforce Party Discipline and Conscientiously Subject Ourselves to Supervision

It has been pointed out in the "Decision" from the Fourth Plenary Session of the 14th CPC Central Committee: "Party members, regardless of their occupations or leading posts, must strictly observe party discipline and conscientiously subject themselves to supervision by party organizations and the masses." The party discipline is a code of conduct to be observed by party organizations at all levels and by all party members; it is also an important guarantee for our efforts to uphold the party's norms and rules and also for the implementation of the party's line, principles, and policies. Enforcing strict discipline to uphold justice and eliminate evil is an urgent requirement for checking the negative effects of the market economy and for maintaining the advanced nature and purity of the party. Failure to enforce strict discipline will lead to the emergence and spread of unhealthy tendencies, negative factors, and corrupt practices. The fact that some party members, cadres, and party organizations in certain units are not acting in a way worthy of their name is mainly attributable to the lax discipline and slack management in those units. When dealing with breaches of discipline in particular, these units usually hand out lenient punishments, having more consideration about "face" than the "law." By stressing "strictness," we mean that "the party needs to be disciplined by the party itself." To do this, the party should put its hand to concrete issues and cases, start with leading cadres and key departments, and make up its mind to remove obstructions and disruptions of all kinds, taking effective steps against the corrupt practices abhorred by the masses of the people.

Comrade Deng Xiaoping repeatedly stressed: If things go amiss in China, the root cause will come from within the CPC. Historical experiences have shown clearly that "the prosperity of a party depends on the party's own efforts"; in other words, if it fails to persistently enforce strict discipline, ours will not be built into a good party which enjoys great vitality and high combat effectiveness. On the other hand, since rigorous enforcement of party discipline cannot be achieved without supervision, party-member leading cadres in particular should conscientiously subject themselves to supervision by the masses of the people. Ours is a ruling party which represents the interests of the people and the masses constitute the foundation for both our party and our country. Therefore, we must regard the support, endorsement, and satisfaction of the masses of the people as a final criterion for judging our every word and deed.

To prevent party-member cadres from violating discipline or breaking the law, we must consolidate supervision and conscientiously subject ourselves to supervision. Only under consolidated supervision will the party not slacken efforts in its work and see to it that it never deviates from its original aim in its work, or abuses the power and authority entrusted to it by the people, and will the party gain great esteem among the people and uphold and consolidate its ruling position. Only by conscientiously subjecting itself to supervision will the party heed the opinions of the masses on the formulation and implementation of major policy decisions, make fewer mistakes, win the support and endorsement of the masses of the people, and ensure that the party's line, principles, and policies can be carried out successfully. Only this way will party members heighten their sense of organizational discipline, observe both the party discipline and the national law, put an end to corrupt practices, and improve the party's art of leadership as a ruling party. Party organizations should encourage, welcome, and uphold supervision by the masses while party-member leading cadres must conscientiously subject themselves to supervision, adopt a correct attitude toward supervision, and constantly perfect themselves and improve their own quality through supervision. Only in this way can we ensure a healthy body for the party and the successful accomplishment of all tasks.

XINHUA Replaces Item on Fang Zhengping' Death

Original Item

OW1911154494 Beijing XINHUA Domestic Service in Chinese 0239 GMT 19 Nov 94

[Beijing XINHUA Domestic Service in Chinese at 0931 GMT on 19 November transmits a service message replacing the following item]

[FBIS Translated Text] Beijing, 19 Nov (XINHUA)—After failing to respond to medical treatments, Comrade Fang Zhengping, former deputy political commissar of the Navy, died of sickness in Beijing on 5 November at the age of 85.

Comrade Fang Zhengping was from Pingjiang County, Hunan Province. He joined the Chinese Workers' and Peasants' Red Army and the CPC in 1930. He successively held posts as group commander at the Chinese People's Anti-Japanese Military and Political College; regimental, detachment, and brigade political commissar; subdistrict political commissar and prefectural party committee secretary; column chief of staff; subdistrict commander; army political commissar; corps political department director; deputy political commissar of the Central South China Military Regional Navy; deputy political commissar of the Guangzhou Military Region and political commissar of the Navy's South China Sea Fleet; and political commissar of the Navy's East China Sea Fleet. He was conferred the rank of vice admiral in

the navy in 1955. He was elected as a delegate to the 11th and 12th National CPC Congress. During the Agrarian Revolutionary War, he joined campaigns guided by the central revolutionary bases to fight all the five "encirclements" and participated in the 25,000-li long march. After the War of Resistance Against Japan broke out, he successively led his troops to build anti-Japanese bases; to organize manpower to launch guerrilla warfare; to establish revolutionary government; and to develop and expand anti-Japanese armed forces.

During China's War of Liberation, he directed his troops to fight in various battles including the Xiangfan Campaign, thereby making indelible contributions to the Chinese people's liberation. Since the PRC establishment, he did his utmost and attained outstanding accomplishments for the navy's modernization drive.

Replacement Item

OW1911155294 Beijing XINHUA Domestic Service in Chinese 0931 GMT 19 Nov 94

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he worked his heart out, did his utmost, and attained outstanding accomplishments in facilitating the Navy's modernization drive and in protecting the sovereignty of the motherland's territorial waters.

Regardless of warring times or socialist revolution and construction periods, Comrade Fang Zhengping always unwaveringly upheld revolutionary undertakings. During the 10 years of disturbances, he firmly boycotted and fought against the Lin Biao-Jiang Qing counterrevolutionary cliques. He fully supported the party's line and its general and specific policies since the Third Plenary Session of the 11th CPC Central Committee. He conscientiously held ideological and political views identical with the party Central Committee. He was frank, open, and aboveboard; strove to unite other comrades; kept close contacts with the masses; upheld principles; discarded favoritism; took into account the overall situation; strictly upheld discipline; was honest in performing his official duties; worked hard; diligently studied; and was realistic. He displayed the resolute party spirit of an old Communist Party member.

Armed Police Force To Strengthen Organization Building

OW1911063494 Beijing XINHUA Domestic Service in Chinese 0938 GMT 12 Nov 94

[By correspondent Pan Shiming (3382 0099 2494)]

[FBIS Translated Text] Beijing, 12 Nov (XINHUA)—The Armed Police Force Headquarters Work Conference, which ended today, demanded that, under the guidance of Mao Zedong military thought and Deng Xiaoping's concepts of army-building in a new era and according to General Secretary Jiang Zemin's general requirements, we strive to strengthen headquarters' organization building and increase its capacity to perform duties and to handle emergencies in a modern setting to effectively safeguard state security and social stability.

The work conference was held in Beijing 6-12 November to sum up and exchange the headquarters' experiences in organization building and educational and training reform. Those attending the meeting were deputy commanders, chiefs of staff, and training department heads of various armed police corps across China and directors of the headquarters' office.

In the past two years, the armed police force has given strategic priority to education and training. Proceeding from strengthening the headquarters' organization building, various armed police corps have undertaken exercises on various scales that were aimed at handling emergencies, to improve their adaptability; have rectified armed police force discipline and workstyle and strengthened its awareness of discipline and order; have reformed the ways it performed its duties and the nature of its duties as well as training approaches and contents to improve the armed police force's training level and

capacity to perform duties and to strengthen the armed police force's overall construction. In the past two years, the armed police force has organized 1,236 classes for squad officers and has trained 67,038 people. The armed police forces in Hebei, Liaoning, and Guangxi have adopted an approach to promote training through competition to carry out police officer training. In the past two years, the armed police forces have sponsored 1,134 classes for those to be promoted to squad leader and have trained 90,516 people. They have basically reached the standard as trainers, improved the quality of grass-roots cadres, and ensured the completion of various tasks.

Meeting participants visited an exhibit of staff professional and tactical training results of the Beijing People's Armed Police Corps and the Beijing Second Armed Police Corps; discussing and revising the "Regulations on Headquarters Work," the "Several Rules on Military Training," and the "Outline for Military Training"; and affirming the objectives, tasks, and measures of the headquarters' organization building that is aimed at increasing its capacity to perform duties and handle emergencies.

Ba Zhongtan, commander of the Chinese People's Armed Police Force Headquarters, and Zhang Shutian, political commissar, spoke at the meeting.

Police Pay Compensation Over Wrongful Detention

HK2111094394 Beijing CHINA DAILY in English 21 Nov 94 p 3

[By Xie Liangjun : "Police Pay \$500 for Cigarette Incident"]

[FBIS Transcribed Text] Two elderly anti-smoking campaigners, who were wrongfully detained, have been paid 3,900 yuan (nearly \$500) in compensation by the Beijing Public Security Bureau.

The Dongcheng District Branch (DDB) of the local PSB also apologized to He Cai 67, and Zhuo Xiangbiao, 64, for illegally detaining them for 18 days.

The police climb-down followed mediation by the Dongcheng District People's Court earlier this month.

He and Zhuo were detained on the 4th floor of Wangfujing Department Store on March 9 for "disturbing the social order in the name of anti-smoking publicity and coming to Beijing for publicity purposes without relevant police approval."

They were wearing anti-smoking armbands as they tried to have their photo taken in front of a foreign-cigarette advertisement at the time, according to Lingling Daily reporter Jiang Jianxiang, who interviewed He in his hometown in Hunan.

He, a smoking and health association leader in Lingling, and Zhuo, a retired teacher from Changzhi, of Shanxi,

became media stars when they walked 10,000 li (5,000 kilometres) last year to promote nonsmoking.

The pair were subsequently invited to Beijing by the National Smoking and Health Association (NSHA) in March to help prepare for 1997's 10th World Conference on Tobacco or Health.

Following the incident, He Cai filed a lawsuit against the DDB in July.

DDB officials refused to comment on the issue over the weekend.

A NSHA official said that the association was satisfied with the results of the court's mediation and hoped such incidents could be avoided in the future.

Many department stores in China have announced themselves nonsmoking zones, although most of them still have counters selling cigarettes.

China has about 300 million smokers, accounting for nearly 40 per cent of the country's total population above age 15. The number of tobacco addicts is rising by two per cent per year.

Former Zhao Aide Still Jailed Despite Illness

HK2011041194 Hong Kong LIEN HO PAO in Chinese 19 Nov 94 p 10

[By reporter Ti An (4895 1344)]

[FBIS Translated Text] Bao Tong [7637 0681], an aide to former CPC general secretary Zhao Ziyang, has been jailed for five and a half years because of being involved in the 1989 pro-democracy movement. Recently, he received medical treatment in Beijing First Hospital. Earlier this month, he spent his 62d birthday in hospital. His family members recently once again wrote a petition to the central leaders, asking that the authorities give Bao Tong medical parole, or at least allow him to return home to spend the Chinese New Year with his family.

Bao Tong was formerly director of the Structural Reform Research Office of the CPC Central Political Bureau, and he used to devote himself to China's reform and opening. After suffering torments in jail for so many years, he now has contracted many chronic diseases, and there is something wrong with his stomach, intestines, and thyroid gland. Leucocytes in his blood remain at a low level, which weakens his resistance to disease. The arthritis in his hands has improved, but his wrists still hurt.

It was thought that the swelling in the thyroid gland in his neck was cancer, but initial diagnosis did not find any serious disease that might endanger his life. His family members eased up somewhat. However, Bao Tong is now still undergoing medical observation in the hospital. In past years, his family members again and again have pleaded for medical parole, but this still cannot be realized.

Labor Activist in Hiding After Skipping Parole

HK1911053794 Hong Kong EASTERN EXPRESS in
English 19 Nov 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] A labour activist who was detained in May for helping to found an unofficial workers rights movement is on the run from police after skipping parole last month, a human rights group has revealed. Wang Zhongqiu, a Beijing University student, escaped from police surveillance after being released from detention without charge in mid-October. He is believed to have been helped by police insiders in the escape.

The director of Human Rights in China, Liu Qing, said from New York last night that Wang was released on the condition he perform labour services for the Beijing Public Security Bureau (PSB). "He made the promise in order to get released. Then he ran away, with some inside help. He is in hiding now," said Liu, whose brother Liu Nianchun was also detained and later released for his role in setting up the National League for the Protection of Workers Rights.

Authorities last month ruled that the league, whose founders attempted to register with the Ministry of Civil Affairs in March, contravened certain "internal regulations", but they admitted it was strictly "not illegal". "What do internal regulations have to do with the law?" demanded Liu, who has advised his brother to sue the Beijing PSB for unlawful detention.

Police have apparently come up empty handed in attempts to gather any other evidence to prosecute the league founders, who, along with other dissidents, were rounded up before the fifth anniversary of the Tiananmen Square massacre. "At the beginning of the year, the central government ordered the round up of dissidents. But now each locality can deal with the aftermath as they please," Liu said. He added that authorities in Beijing were under pressure from the central government to handle the cases in accordance with the law, given the international attention in the capital. "Beijing knows that there is a lot of attention paid to their methods," he explained.

China's only authorised trade union is the All-China Federation of Trade Unions. While the League was set up as a civilian pressure group, the founders were quickly detained and accused of "inciting the masses and creating social turmoil". While the league failed to gain the widespread support its founders had hoped for, its carefully crafted charter has circulated widely in China.

Wang, 27, a graduate student in law at Beijing University, was detained in secret at the end of May, almost two months after his teacher and fellow league founder Yuan Hongbing was detained. Among the other figures associated with the League, Yuan and Zhou Guoqiang remain in detention, while Zhang Lin has been sentenced to

three years in a labour camp. Wang Jiaqi is now in the U.S. after escaping from a prison in Hebei province in March.

Tourist Witnesses Roadside Execution in Guangxi

HK2111040094 Hong Kong EASTERN EXPRESS in
English 21 Nov 94 p 9

[By Duncan Berg]

[FBIS Transcribed Text] I have just returned from a two-week trip to China during which I witnessed a roadside execution by the Chinese authorities. It took place in the heart of one of the country's best-known tourist areas, near Guilin in Guangxi province.

I was travelling on a local minibus between Guilin and Yangshuo, an area surrounded by striking limestone peak formations which is a popular destination for Western backpackers. About half-an-hour out of Guilin, our minibus was flagged down by policemen standing by a jeep in the middle of the road. Another minibus and a farm truck had also been stopped.

The police gave no explanation for the hold-up. On the other side of the road a group of about 15 to 20 locals, presumably from the other minibus, stood gazing intently down a path which led along a gentle incline off the roadside.

A few minutes later a police car arrived at high speed from the other direction. It pulled to a halt and two senior-looking officers got out of the back. They headed down the roadside path at a quick pace.

One of the officers still on the road then waved furiously at our minibus driver to proceed. The driver pulled out to go around the jeep at a crawling pace, hoping to get a better view of the focus of attention down the path.

I could clearly see down the path that there were two vehicles and a small group of men most of them in police uniforms. One of the vehicles was a minibus painted military green, while the other was an unmarked car.

One of the ununiformed men had his arms tied behind his back and was forced to stand at a distance from the others, facing away. Suddenly a shot rang out. I couldn't see which of the group had fired. The man fell heavily to the ground, face first.

One of the men in uniform kicked him over, face-up, while another began taking pictures with a camera.

Our driver pulled away from the scene. The Chinese passengers in the minibus looked serious, but did not appear shocked by the sight. The four Western tourists on the bus, three French and myself, were incredulous.

After a moment's silence, we asked each other what we had seen, scarcely believing our own eyes. The whole incident from the halting of our minibus to the shot ringing out, had not lasted five minutes.

The two senior officers who arrived in the police car could not have had more than a moment to exchange a few remarks with the group gathered down the path before the execution took place.

When we asked locals in Yangshuo over the next few days, they told us the executed man was a murderer. But most were reluctant to discuss the subject.

Minister Supports More Social Reform

HK1911014794 Beijing ZHONGGUO XINWEN SHE
in English 1235 GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (CNS)—China will further deepen the social restructuring reform for greater development and increase input into this sector, according to the Minister of the State Planning Commission Mr. Chen Jinhua.

During the coming Ninth Five-Year Plan period between 1996 and the year 2000 as well as the 15 years to come, China will enter a crucial stage for economic and social development while at the same time facing social problems such as population burden, employment pressure, resources, environment and worsened contradictions seen in the economic development. Mr. Chen said that China had to make economic build-up the centre and pay much attention to control over the population, exploitation of education, promotion of employment, strengthening environmental protection and improvement of the social security system. In the meanwhile, according to the minister, further intensive social reform has to be carried out for better development.

Key to the restructuring at present, Mr. Chen pointed out, mainly lies in alleviating the burden in which the state takes on too many things. A management system and an operation mechanism of vigour have to be set up for social development. Meanwhile reform of the social security system, the employment system, the administrative system for household registration and other kinds of social management practices will be accelerated. Intensive restructuring of the education, health and cultural circles has to be maintained.

During the Ninth Five-Year Plan period, Mr. Chen said, China will work to formulate some measures for growth in input into the social development. Establishment of the comprehensive and the special funds for social development will be considered. Some preferential policies will be adopted for social development while at the same time capital for such development will be raised from various fields. Social undertakings featuring involvement of the state, collective entities, individuals and various circles in society will by then be gradually in place. Special policy on capital input will be implemented by the state to help some undeveloped regions for better social development with the aim of promoting coordinated social development in different regions.

Beijing To Quicken Reform of Unemployment Insurance

OW2011071594 Beijing XINHUA in English 0645
GMT 20 Nov 94

[FBIS Transcribed Text] Beijing, November 20 (XINHUA)—China has decided to step up the unemployment insurance reform next year, according to a national meeting.

China has set up over 2,100 unemployment insurance organizations since the unemployment insurance system started in 1987.

Over the past seven years more than 2.3 million unemployed workers have received relief funds from these agencies, and over 1.7 million people have found jobs with the help of the insurance organizations.

By the end of 1993 some 532,000 companies and governmental institutions had bought unemployment insurance policies, involving over 79.24 million workers and staff members.

In addition, the accumulated unemployment insurance fund of the country has now topped two billion yuan, according to the meeting.

Zhang Xiaojian, director of the employment department of the Ministry of Labor, noted at the meeting that although China has made great achievements in this field, there are still many formidable issues.

He said that the current insurance system fails to meet the demands of a multi-form employment system in China.

What is more important, the unemployment insurance fund is too small to support the growing number of the unemployed in the future, he said.

In the coming six years the number of the unemployed in China will hit 20 million, and more than 3.5 million workers will need relief each year.

Circular Addresses Jobs for College Graduates

OW1911063394 Beijing XINHUA Domestic Service in Chinese 1033 GMT 11 Nov 94

[By RENMIN JIBAO reporter Bi Quanzhong (3968 0356 1813) and XINHUA reporter Yin Hongzhu (1438 7703 4270)]

[FBIS Translated Text] Beijing, 11 Nov (XINHUA)—The number of college and university graduates is expected to total 895,000 in 1995, a year that will see the largest number of college and university graduates since the founding of New China and the greatest overall progress in reforming the system for assigning jobs to graduates. The State Education Commission recently issued a circular in this respect, urging relevant State Council ministries and commissions, governments in all

localities, and institutions of higher learning to increase cooperation and make sound job arrangements for graduates.

The "circular" noted: In making job arrangements for college and university graduates in 1995, we should actively and prudently deepen reform of the system for assigning jobs to graduates, and gradually institute all types of job markets, with schools as the principal employers, for such graduates while constantly improving existing policies. We should try to acquire experience in implementing the job assignment system mentioned in the "Program for the Reform and Development of Education in China," under which "the state will assign jobs to a small number of graduates while most graduates will find their own jobs." The "circular" said: In principle, the state will still assign certain jobs to college and university graduates in 1995, and job assignment plans will be implemented by "bringing prospective employers and employees into contact" and by promoting "two-way selection."

The State Education Commission emphasized: According to State Council provisions, the State Education Commission is in overall charge of making job arrangements for junior college students, regular college students, graduate students, and students pursuing a second academic degree in ordinary colleges and universities across the country, as well as studying and guiding the implementation of reforming the way graduates are assigned jobs. Therefore, governments at all levels should be responsible for implementing plans for assigning jobs to graduates and should coordinate with each other under the State Education Commission's unified management. The State Education Commission should draw up job assignment plans and relay them to lower levels for implementation.

To standardize job markets for graduates, the State Education Commission urged relevant ministries and commissions, governments in all localities, and colleges and universities to wage, in a planned manner, various activities aimed at "bringing prospective employers and employees together" and at promoting "two-way selection." Units and departments that organize interregional and interdepartmental job fairs and markets for graduates should report their activities to the State Education Commission for approval. If they fail to do so, the agreements they sign will be invalid. Competent departments in all localities should tighten supervision, guidance, and management over the job markets for graduates to prevent profit-oriented, business-like activity.

Educational Stipends To Be Used for Poor Students

OW1811154994 Beijing XINHUA in English 1534
GMT 18 Nov 94

[FBIS Transcribed Text] Xian, November 18 (XINHUA)—Chinese elementary and high school students will no longer be held back, announced a senior official here.

Compulsory education for the floating population's offspring will be strengthened, added Liu Bin, deputy minister of the State Education Commission at a meeting on education in this capital city of northwest China's Shaanxi Province.

China aims to make the nine-year education compulsory and to enable all adults to learn to read or write by the year 2000.

The holding back of elementary and high school students has hampered the development of compulsory education. Liu added that students tend to leave school forever when they fail to pass on to the next grade.

Students should be helped to receive a complete elementary education, and when some of them could not catch up with others in high school, they should be encouraged to learn some special skills, instead of being made to repeat the year's work, Liu said.

Poverty also forces some students out of school, he admitted, so, stipends should be established or re-inaugurated in elementary and high schools.

The stipends should be aimed at children from poverty-stricken families in order to avoid causing well-behaved and diligent students to drop out of school for economic reasons, the official said.

Meanwhile, measures should be taken to improve the education for children of the floating population, thus reducing the drop-out rate in elementary and high schools, he added.

Officials Urge More 'Open Universities'

OW2111120494 Beijing XINHUA in English 1102
GMT 21 Nov 94

[FBIS Transcribed Text] Beijing, November 21 (XINHUA)—Chinese officials today called for setting up more "open universities" to ease the burdens on higher education.

"Education through television and radio should be further promoted by updating technology," said We Yu, vice-minister of the State Education Commission, and "the broadcasts must cover more areas."

She urged local television stations to supplement the courses whose hours are now being shortened because of entertainment programs.

There are 1,000 universities and colleges in China but most of them are in the financial doldrums and the number of people who wish to receive a higher education far exceed actual enrollment, in addition to which, students are now faced with higher tuition and fees.

The cost of training a student via TV channels, however, is a mere 40 percent of the classroom cost.

Wei stressed that TV education should pay special attention to serving people in rural and poor areas.

Some 15 out of every 100 college graduates are "open university" students and the number is expected to grow by the next century, as they attempt to meet the needs of China's growing economy which is lacking in skilled workers, Wei said.

2.3 million Chinese have taken college courses via TV since 1979, when Deng Xiaoping decided to inaugurate China's first radio and TV university. There are now more than 2,000 TV universities throughout the country.

Students have been able to choose from as many as 300 different courses, including engineering, literature, economic management, agriculture, and medicine.

In this way, students are able to study while working. The state grants them graduation certificates if they pass a national exam, but does not offer jobs.

Edible Salt in Tianjin To Contain Iodine

OW2011152294 Beijing XINHUA in English 1455 GMT 20 Nov 94

[FBIS Transcribed Text] Tianjin, November 20 (XINHUA)—Iodine will be added to all edible salt produced by Tianjin, China's third largest metropolis, by the end of this year, two years ahead of the deadline of 1996 set by the state.

Iodine deficiency could lead to mental retardation, goiter and other diseases, which threaten people in the world.

The victims in China account for 40 percent of total all over the world, and 80 percent mentally disabled in the country are caused by iodine deficiency.

Tianjin is one of the severely affected areas. According to a survey, two suburban counties of the city suffer from iodine deficiency. The iodine content in urban children's urine is lower than the standard set by the state, and lack of iodine has hurt children's mental development.

Chinese Government has pledged to eliminate iodine deficiency diseases by 2,000.

To put iodine into table salt is the most effective way to prevent the diseases.

Tianjin, as a major salt producer in China, started to throw iodine-added salt into market from September. By the end of this year, all edible salt in the city will be iodized.

By 1996, the city is expected to produce 230,000 tons of iodized salt a year, including that for livestock and industrial use.

The city has kept a tight control of edible salt producers and wholesalers, who must have official permits to operate. From January to October, 8,000 tons of non-iodized salt was confiscated.

Military

Xiamen Defenses on Alert After Shelling Incident

HK2011023894 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Nov 94 p 7

[By Quinton Chan]

[FBIS Transcribed Text] China has stepped up its defences along the coast of Xiamen after the Taiwan army's anti-aircraft guns accidentally bombarded a small village near the city last Monday. Troops stationed in Xiamen hill and Xi hill—which face Taiwan's Quemoy Islands group—have been in a state of emergency after what Taipei described as an "unintentional attack". A People's Liberation Army (PLA) soldier in the area said troops were ordered to cancel all leave in case the incident was repeated.

The Sunday Morning Post witnessed soldiers armed with AK47s patrolling the beaches in Huangcuo County, where the shelling took place. Dozens of military trucks were travelling in the area. The PLA already has a strong presence in the county where there are dozens of forts, cannons and gun emplacements, and at least three bases in the hills which are restricted areas.

The navy was also placed on alert: One warship and three gunboats were stationed at Xiamen base.

A Xiamen municipal government spokesman would only say: "Although they (the Taiwanese) claim this was an accidental shooting, we can't be sure that there won't be another shelling in future."

Fishermen along the coast said the atmosphere was tense in the waters between China and Taiwan, adding they dared not sail their boats close to the Quemoy Islands group. "Before the incident, we could sail close to the shore of Xiao Jinmen (Little Quemoy). We could even talk to the female soldiers there. They would sometimes give us biscuits," fisherman Huang Jian said.

Four people were injured when about a dozen shells hit two construction sites in Tatou village. Taipei admitted responsibility for the incident and apologised. Officials said it was a mistake and they would compensate the victims through the non-official intermediary group, the Straits Exchange Foundation.

Quemoy and Matsu are Taiwan's frontline posts. The Kuomintang held on to them when they lost the mainland in 1949. The 12 islets in the Quemoy group are only 2.3 kilometres from the Fujian coast at the nearest point. China has tried, unsuccessfully, three times to invade the islands.

Deputy director of the Xiamen Government Taiwan Affairs Office, Lin Youde, said he had not been contacted by Taiwan to discuss compensation. The four injured workers were discharged from hospital last week. One victim, Wong Lizhen, said she had not been informed about what compensation she would receive.

"I really have no idea how much they should compensate me but I hope they will give me a lot." The 23-year-old woman, who suffered waist and shoulder injuries, said she was working in a kitchen when the bombardment took place. "I was preparing lunch for workers. Suddenly the air was filled with a series of loud explosions," she said. "I ducked for cover then felt a searing pain in my waist." The other three victims, who were working outside, suffered foot injuries. Other workers said they were lucky most were working indoors.

At least 10 shells fell just outside the site, while two landed on the roof of a three-storey building. Site manager Lin Shushan said damage to the building was minimal. But local residents are not worried by the incident, saying they regard the firings as part of their life. "They often do shooting exercises around the Quemoy islands," said Huang Guonong, a Xiamen University student who often studies on nearby beaches. "We just treat this as background music." He said a military exercise by Taiwan troops started last Sunday evening and only ended three hours after the shelling of the village on Monday morning. "It was unusual because the shells don't normally hit the ground," the student said.

But the incident reminded older villagers of the tense years when there was more hostility between the mainland and Taiwan. "Fifteen years ago, Taiwanese troops still fired shells containing propaganda messages in them. These contained notes saying the Kuomintang would resume war one day," Huang Wenxiao said. But the elderly man said the years of tension were now over. "There are so many Taiwanese living here and doing business, they won't fight each other again. We are all Chinese."

The county, with a population of about 3,000, is developing rapidly. With fine beaches and its proximity to Taiwan, the area is being developed into a tourist destination with resorts and amenities.

[This article is accompanied by two color photographs attributed to Mark Ralston. The first, 2" H x 5" W, shows four bays of a building. Two of the bays contain artillery pieces shrouded in white and having white hoods over their muzzles. Two more artillery pieces, similarly shrouded, stand in front of their respective bays. The second photo, 8 1/2" H x 5" W, shows a rifle-toting Chinese sailor who gestures toward the camera. The rifle has a forward-curving "banana"-style clip, and hangs from a strap around the sailor's shoulders. The caption for both photos reads: "Prepared for invasion: A Chinese sailor motions to stop taking pictures outside a military base on alert in the coastal city of Xiamen. Artillery, left, is lined up at an army base in case Taiwan carries out further mainland shelling." Also accompanying the article is a large-scale map of the Lesser Quemoy-Xiamen area.]

Air Force Raises Tactical Level of Training

OW2011030894 Beijing XINHUA Domestic Service in Chinese 0319 GMT 19 Nov 94

[By reporter Xiao Pu (5135 3877)]

[FBIS Translated Text] Beijing, 19 Nov (XINHUA)—It was learned from the Air Force that, as of 10 November, Air Force flight units over fulfilled this year's flight time target. More than 80 percent of combat regiments have reached the standard of first class regiment [jia lei tuan 3946 7352 0957], various units have further improved technical and tactical skills, and flying safety has continued to reach the world's advanced level.

This year's tasks of training and reform for the Air Force are relatively heavy. Various units have intensified their efforts to raise technical and tactical skills; and have carried out a series of reforms in training, including contents, methods, systems, administrative work, and safety. They have stressed practicing emergency maneuvers, joint exercises, actual firing and bombing, and other difficult subjects close to actual battle situations; and have thus greatly increased their rapid reaction and overall fighting capabilities. It was learned that, during training, fighter planes, attack planes [qiang ji ji 1730 2345 2623], and bombers have all achieved good scores in hitting targets with live rounds and bombs.

The Air Force has raised the overall quality of units by strengthening the training of backbone cadres. On the basis of training officers at divisional and regimental level of aviation units on a rotational basis last year, this year's training has been extended to include cadres at regimental level and all pilots. In addition, the Air Force has extensively evaluated organizational, command, and teaching abilities of flight unit commanders, instructors, and pilots of lead planes. Now, three-fourths of flying personnel have reached the "all-weather" standard, and the numbers of commanders, instructors, and lead pilots for flying under four kinds of weather conditions have all increased greatly.

Article on Combined Training Reform

Part 1

HK2111065694 Beijing JIEFANGJUN BAO in Chinese 21 Oct 94 p 2

[By Zhang Haiping (1728 3189 1627) and Ren Yanjun (0117 3601 6511): "From Toy-Brick Combination To Being of One Blood—Survey and Thoughts on Tri-Service Combined Training Reform, Part One of Two"]

[FBIS Translated Text] Tri-service combined training was placed at the top of 10 major reform subjects at the All-Army In-Depth Reform Tasks Arrangement Conference held at the beginning of the year. From this we can see its great importance and difficulty.

Not long ago, our staff reporters paid a field visit to the training ground of the tri-service units undertaking this important pilot task of reform, where we witnessed their arduous and gratifying explorations....

Inevitable Step Is Taken

Entering the tri-service military exercise area, the most striking impression we got was the urgent desire of officers at various levels to promote reform of combined training. They seize every minute and carry out tasks with drive. As a result, they have overcome many difficulties and have succeeded in starting this extremely difficult task of reform in a short period of time. Quite satisfactory progress has been made and the underlying reason is, in the final analysis, their recognition of the severe challenges posed by wars in the future.

As indicated by the results of the Gulf War, it is impossible to win battles in hi-tech wars with single-arm or single-service maneuvers. Only three-dimensional operations with the close coordination of the three armed services will prevail over the enemy.

Since the "combined battalion" first appeared at the foot of Taihang Shan 15 years ago, substantial development has been witnessed in the collective training of the whole Army. The ground forces have set up group armies, which is an organizational guarantee to bring the collective training of the ground forces into the right orbit. As for the Navy, single-ship training has grown to multi-arm ocean-going combined training. The Air Force is engaged in more and more flexible long-distance multi-craft maneuvers.... However, all of the above are intra-service collective training, and there is little tri-service combined training, except for some symbolic large, live-ammunition exercises each year. Training can only move in a low circle. What underlies this discouraging status quo is the lack of a mechanism for the regular organization of tri-service combined training. The result is that the three armed services cannot have combined training, although this is a must in fighting together during war. Therefore, to change this state of affairs and to make tri-service combined maneuvers standard is an inevitable measure to be taken in Army training reform.

Mechanism Better Than Sense

In order to develop tri-service combined maneuvers, the outdated practice of acting on good sense should be discarded. It is necessary to improve fighting capacity from the new mechanism. This is a ringing demand of commanders of the three armed services and is turning into reform efforts among the pilot troops conducting tri-service combined training.

The pilot troops undertaking tri-service combined training reform have succeeded in developing a new mechanism. Under the current theater-designation leadership management structure [hua zhan qu ling dao guan li ti zhi 0439 2069 0575 7325 1418 4619 3810 7555 0455] and without changing the existing organizational

structure of the different services and arms, the pilot troops have set up a ground-navy-air tri-service combined training command center, which consists of the main commanders of the tri-service units concerned and exercises unified command over tri-service combined training.

Structure determines function. The commanding headquarters of the three armed services, which had no regular contacts in the past, have forged organic links. Ever since the beginning of 1994, the uniformed commanding officers of the ground forces, Navy, and Air Force have been seen jointly handling routine affairs. They do not act in the capacity of spokesman-like "ambassadors." Instead, they have organically formed a "brain" for directing and coordinating tri-service combined training.

A mechanism is better than a sense, and regulations stand higher than friendship. In the past "connections" and "friendly feelings" functioned to solve problems which arose from tri-service combined training. In combined training, when the ground forces sent tanks, the Air Force aircraft, and the Navy warships, they regarded this as "friendly support"; if problems arose, each would show some "understanding." However, nowadays, the pilot troops have established a complete set of combined training regulations and, beginning earlier this year, unified tri-service combined training plans, combined training outlines, and systems for demonstrative performance, exchanges, the issuance of circulars, and the public appraisal of training quality. The monthly tri-service chief-of-staff joint conference inspects and supervises the implementation of these systems in various services. These systems have replaced the "friendly support" of the past and serve as a legislative basis upon which the three armed services engage in combined training, academic exchanges, simultaneous training, technically based organizational training, use each other's training grounds and apparatus, and exchange information and data.

Integrated Whole With Blood Vessels Linking Each Other

The following episode occurred in the course of tri-service combined training reform. The commander of a fortress carefully formulated an island anti-landing maneuver plan with tri-service coordination. In the plan, he deployed a dozen or so warships around the island. Taking a troop deployment map with him, he then went to his friend, a deputy section chief named Wang who worked in the headquarters of a Navy unit which was also the coordinating unit. Quickly, Wang discovered that the warships were deployed like toy bricks and would be unable to take part in the coordinated maneuvers.

Similar cases serve as a warning to commanding officers. The three services of the armed forces should not form a merely superficial "get-together." What they need is "organic integration" with mutual relations as close as

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being one blood. The leap from intra-service collective operations to tri-service coordination should be a three-dimensional one. Aircraft, warships, tanks, thousands of soldiers involving a few dozen or even a hundred specialties operate freely on the ground, in the sea, and in the air, which cannot but give rise to a very profound reform of the training pattern. That is why it is imperative to conduct overall design and system reform.

—Establishing a “macro-coordination concept.” The pilot troops have got rid of the traditional single-service coordination concept and pattern, which gave priority to infantry, artillery, and tank forces. The infantry no longer plays the main role. The Navy and Air Force are no longer placed in “supporting roles” and subordinate status. The combined training regulations have been formulated to establish a “macro-coordination concept” of integrated operations involving ground forces, the Navy, and the Air Force in modern wars.

—Confirming the idea of overall development. “Being not correctly geared to each other” and the difficulty of matching communications links “hardware” constitutes the first bottleneck for tri-service combined training. Officers of the pilot troops adhere to the idea that overall operations need overall support. First, they made a clear inventory of the communications facilities of each service. Then, with the help of the higher authorities, they overcame difficulties and used the method of unified planning, building, networking, use, and management to enable the three armed services engaged in combined training to communicate with each other by 12 means, including radio, wire, microwave, and satellite. The computer network has linked the headquarters of the three armed services and the efficiency of message transmission has been increased tenfold.

—Broadening the range of “knowing one’s own strength.” For those units participating in tri-service combined training, “knowing one’s own strength” includes not only a thorough clear picture of the equipment and the training state of one’s own unit, but also a clear picture of the situation in the coordinating units. Therefore, units of the three armed services engaged in combined training have opened their training grounds to each other, organize officers and soldiers to visit and learn from others, exchange instructors, and carry on academic exchanges. Warship captains, pilots, and commanders of infantry regiments have made friends with each other. Tri-service combined training serves as a breakthrough from the self-closed training circle of each service and has thus broadened the field of vision of commanders in the three armed services.

Although it is a new-born infant, tri-service combined training reform represents our future hopes. With its gradual development, the fighting capacity of our Army as a whole is sure to experience a new leap forward from a new starting point.

Part 2

HK2111095094 Beijing JIEFANGJUN BAO in Chinese
22 Oct 94 p 2

[By Ren Yanjun (0117 3601 6511) and Zhang Haiping (1728 3189 1627): “Who Is ‘Big Brother’—Survey and Thoughts on Tri-Service Combined Training Reform, Part Two of Two”]

[FBIS Translated Text] Of the three armed services conducting combined training, namely the ground forces, Navy, and Air force, who is the “big brother”? This was a question often heard during the reporters’ visit to the pilot troops.

This question, raised by the deepening of training reform, has ignited an ideological revolution in the field of maneuvers and operations.

“Big Brother” and “Senile Brother”

We are not clear when exactly the other services began respectfully calling the ground forces “big brother.” However, it is beyond doubt that the formation of this traditional rank is closely related to the military concept that “bayonets cannot be fixed on cannons” and that “it is the infantry who finally win battles.”

The People’s Army in the past won a nationwide victory with millet plus rifles, and this victory led to the founding of New China. On the base of the infantry, the “big brother,” other armed services have developed. As a result, our Army has attained its present size and quality.

However, at the present time, when modern warfare is undergoing rapid development, the ground forces’ status as “big brother” is doubted by more and more people.

After the beginning of tri-service combined training, Chief of Staff Guo of a certain ground forces unit led a group of “veteran infantrymen” to carry out careful inspections of equipment and the quality of training of the coordinating Navy and Air Force units. New-type fighter planes, majestic warships, guided missiles ready to pierce the blue sky, and new arts of warfare accompanying the advanced equipment—all served to broaden their vision and challenge their traditional ideas. Compared with their own past, the ground forces have made a great deal of headway, but this headway is significantly reduced when compared with the great development of the Navy and the Air Force. “Big brother” feels deeply that he has become less important and a little senile.

Despite such a feeling, “big brother” still holds an absolute advantage quantitatively. But is this something to be proud of? When the commanding officers of the three armed services sit together and, confronted with strong adversaries, study how to fight modern wars, they unexceptionally wake up to the severe reality: “big brother” faces new adversaries. As hi-tech weapons with extraordinary power enter the stage, it is no longer possible to calculate the balance of forces in terms of

numbers of people. They feel keenly that the traditional "big brother" concept should be changed.

Pleasure After Labor Pains

Along with the ideological changes, the department in charge of tri-service combined training reform has thoroughly discarded the traditional idea according to which the tasks of training are inevitably centered around the ground forces. Instead, they arrange a variety of war scenarios and diversified tasks according to the features of modern warfare. In the three phases of a maneuver command authority is designated to the ground forces, Navy, and Air Force respectively so that they can play the main role in turn.

This reform has brought a strong impact and inevitable labor pains. "Given a first strike by enemy hi-tech weapons, tank units' ability to hide themselves means victory." This is an order issued by an Air Force commander in charge of the first-phase command of the tri-service anti-air-raid maneuver. The commanding officer of a ground forces tank unit, when receiving this order, was greatly shocked, because in past military exercises his tank force had always been the "crack force" to tackle difficult tasks. Now, they were forced to hide themselves and withdraw from the position of "chief role." Naturally they felt painful deep sorrow.

Modern warfare is cruel and relentless. Hidden in a col with deliberate camouflage, the tank unit could hardly be discovered even by someone approaching it. Yet, it was "completely exposed"; the tank group concealed in two dimensions was detected by the Air Force equipped with modern reconnaissance technology. This air strike awakened them to reality: The pattern of war has changed, and a "one-act play" can no longer be performed on the battlefield.

The elimination of the "big brother" concept has brought no less an impact to the Navy and the Air Force than it has to the Army. When an Air Force unit received the order from the three armed services to command the first-phase maneuvers, it was equally shocked. In the past, it was used to the comfortable role of "little brother" with "big brother" commanding combined training. On the very day they received this order, their sense of easy detachment was gone forever. That very night they had a meeting to discuss the maneuver plan. Early next morning the commander, together with his staff officers, went to the units under his command to lay out their tasks. The change of role from the habitual "secondary role" to the "chief role" was not accomplished in a single day. An Air Force commanding officer who had taken part in many land-air combined maneuvers expressed his heartfelt feelings when he told the reporters that, in the past, each time his unit participated in a maneuver he only needed to make clear how many aircraft would be sent to the scene, when they would arrive, and what feats they would demonstrate. So long as "big brother" was satisfied, his task was complete. Therefore, he rarely thought of the maneuver in terms of

the overall requirements of the war, let alone the possibility of commanding the coordination of different services. As a consequence, the combined maneuvers were often reduced to passively serving "big brother."

Change has awakened people's initiative. The ground forces, which are used to the role of "big brother," have begun to think and consider how to play both a main role and a secondary role in future war, and how to better accomplish military tasks in coordination with the Navy and the Air Force. The commanding officers of the Air Force, of their own initiative, pay visits to the ground forces and Navy to gain detailed knowledge about the anti-aircraft capacity of the other services and arms. As a result, they have improved themselves in their ability to organize and command in a unified manner the early warning system for all three armed services and new tactics have been formed for air units and anti-aircraft units. Thus, they have not only improved their own training, but have also enhanced the ability of combined operations.

What is more gratifying is that the shift of roles on the training field and the ideological changes have given rise to a kind of radiation effect, which has led to a new understanding of the focal point of building the armed forces, the focal point of military drilling, and the criteria for selecting military personnel.

Ideological Changes Lead to New Art of War

Then who on earth is "big brother"? The ground forces, the Navy, or the Air Force? For each service the answer is possibly yes and possibly no. With this question in mind the reporters interviewed the commanders responsible for the combined training reform tests. Their discussions led to the final answer: On the battlefield of the future, no single service can operate alone without the coordination of other services. Multi-service combined operations will be the "real dominating force" in future warfare.

The final establishment of the new concept is to promote tri-service combined training to the commanding heights of modern warfare. Military theory is further enlivened through standing on this new starting point and looking afar from this commanding height; hence, a series of new tactics and maneuver patterns.

Based on the new concept, the three armed services reexamined their respective tactics formulated in the past with either the infantry or one's own service as the center. They have found many error zones and blind zones. They have discarded the obsolete and have made full use of their creativity. They have begun studying future arts of war from the viewpoint of tri-service combined operations, by which the direction is clarified for the reform of the maneuvers. For example, when the ground forces arrive at a beachhead by warship to support the Navy on an island, what kind of air-support should be provided? They organize comrades from the Air Force to watch the maneuvers on the spot. Likewise,

officers of the Navy and ground forces are also given the chance to think over the problem from each other's position. After several rounds of discussions by the commanding officers of the three armed services, merits are retained while defects are discarded. The result is a more mature and perfect course of training. At the same time a number of new military tactics have emerged, e.g. "joint support on land, joint resistance on islands, joint breakthrough on the sea, and joint interception in the air," each of which is characterized by tri-service combined operations.

Many new training courses have also entered the training ground e.g. artillery embarking on warships, tanks and land artillery attacking sea and air targets, and joint operations by the air arms of the three armed services.

Correction on Helicopter's Technical Appraisal

HK1811093594

The following correction pertains to the item headlined "New Type of Helicopter Passes Technical Appraisal," published in the 17 November China DAILY REPORT, page 31:

Column one, last paragraph, first sentence make read: ...General Ye Zhengda, chairman [title as heard; bureau records list Ye Zhengda as vice chairman of the Science and Technology Committee under the Commission for National Defense Science, Technology, and Industry] of the Science... (supplying editorial note.)

Economic & Agricultural

Li Peng Views Economic Situation

HK2111094794 Hong Kong KUANG CHIAO CHING
in Chinese 16 Nov 94 pp 12-14

["Exclusive report" by staff reporter: "Li Peng on China's Present Economic Situation"]

[FBIS Translated Text]

Li Peng Expressed His Views on China's Economic Situation

When meeting with some representatives attending the "1994 Pacific Rim Forum" at the Great Hall of the People at 1530 on 26 October, 1994, Chinese Premier Li Peng dwelt on China's current economic situation.

Li said that the forum had invited well-known figures and experts in various fields to discuss the economic situation in their own areas and the strategies for development. This will play a useful role in promoting political stability and economic growth in their own areas. It is of great significance holding the forum in Beijing.

The Asia-Pacific Region Is the Most Active Area in the World's Economy

The premier said that all countries in the world are very concerned about economic development and more and

more countries are giving it top priority. The Asia-Pacific region, which is full of vitality, is the most active area in the world economy and has shown a growth momentum over the last dozen years and more, thus playing an active role in promoting the world economy. The great numbers of developing countries are applying themselves to economic development and working hard to shake off poverty while the developed countries are also making unremitting explorations and efforts in expanding their economies.

The Conclusion of the Cold War Provides Opportunities For Us

Li said that the conclusion of the Cold War has provided us with opportunities for peace and development.

The world is complicated and varied and different countries are subject to the influence exerted by different cultures, economies, religious beliefs, historical traditions, and ideologies. But this does not prevent us living in this world in harmony, cooperating to our mutual benefit, and holding discussions together. In this sense, the forum has provided us with a good opportunity.

The Three Major Specific Problems Facing China

Regarding China's economic situation and policies, the premier said that since the second half of last year, the Chinese Government has adopted, in light of the new situations and new problems arising from economic growth, a series of macrocontrol measures including measures to adjust the structure, raise product quality and economic efficiency, and curb inflation, to enable the economy to develop in a sustained, rapid, and healthy way.

Li spoke about three specific problems with the guests: First, how should China's economic growth be assessed? Second, China's inflation. And third, how should the efficiency and prospects of China's state enterprises be appraised?

How Should China's Economic Growth Be Evaluated?

How should China's economic growth be assessed?

The premier said that in the last 15 years since the introduction of reform and the open policy, China's economy has expanded a great deal with the average annual growth rate reaching 9 to 10 percent despite the ups and downs. Some people now maintain China is an economic power, ranking first, second, or third in the world. This argument blows up China's economic capacity out of all proportion.

The absolute figures of China's GNP and grain and coal outputs are indeed enormous. However, China is a country with a population of 1.2 billion, with a net annual increase of 12 million, so it would take China 10 to 20 years or even longer to catch up with other Asian

countries which are growing faster in terms of the per capita level. Therefore, it is wrong to say China imposes a threat to other countries.

In his view, Li continued, the runaway inflation is not a good thing. The Chinese Government is taking measures, including economic, legal, and administrative means, to tackle the problem.

The reasons for the persistent inflation are complicated. Excessive investment over the last few years was, to a certain degree, to blame for the price increase. China's GNP increased 13.4 percent last year and it is estimated to drop 2 percent both this year and next.

The inflation was also attributable to the adjustment of the prices of some commodities, especially agricultural products.

Natural disasters once again had an impact on grain prices. In China, natural disasters usually occur in summer and seldom after fall. This year the grain output is about the same level as last year and northeast China will gather large soybean, corn, and wheat harvests.

After Being Open to Market Forces, Grain Prices Need Regulation

The mismanagement of circulation funds also contributed to the inflation. China has freed the prices of 90 percent of commodities but we have discovered that, after being deregulated, the prices of commodities such as grain need to be controlled, mainly through economic means of course. Some people may ask why the people remain calm despite price increases which could lead to crises. The answer is that their wages have increased by a larger margin with the growth rate being 5 to 6 percent in real terms.

How Should the Problem With State Enterprises Be Assessed

When talking about the problem facing state enterprises, the premier said that some people estimated that one-third of China's state enterprises show fairly good economic performance, one-third are only mediocre, while the other one-third suffer great losses, so they concluded that state enterprises are moving toward extinction.

Generally speaking, the estimation was not formed in a scientific way because it did not take into account the efficiency of the enterprise's fixed assets and the profit and tax turned over by the enterprise to the state. The statistics based on individual enterprises, big or small, are also incorrect in a scientific sense. For example, the Shanghai Baoshan Iron and Steel Works, which has 30,000 workers, produces seven million tonnes of steel each year and will increase its output to 10 million tonnes next year, was treated as an enterprises while a poorly managed state enterprise with only several dozen workers in a certain city was also counted as an enterprise. Statistics formed this way are not sound in a scientific sense.

We are now addressing old-age pension, employment, and medical service problems. Workers are required to contribute three percent of their average payment to the unemployment insurance fund and we are looking forward to a societywide insurance system. The improvement of the social security system will provide necessary conditions for the implementation of the "Bankruptcy Law" and the introduction of the modern enterprise system.

Leaders on Provincial 'Inspection' Tours

Yang Shangkun in Fujian

OW1911020994 Beijing XINHUA Domestic Service in Chinese 1351 GMT 14 Nov 94

[FBIS Translated Text] Fuzhou, 14 Nov (XINHUA)—During his inspection tour of Fujian from 25 October to 14 November, Comrade Yang Shangkun expressed many important opinions on issues including properly conducting agricultural and rural work, opening up wider to the outside world, and absorbing more Taiwan investments.

Accompanied by Jia Qinglin, Chen Mingyi, You Dexin, Lin Kaiqin, He Shaochuan, and other provincial leaders on separate occasions, Comrade Yang Shangkun visited Nanping, Fuzhou, Putian, Quanzhou, Xiamen, Zhangzhou, and other prefectures and cities; inspected villages, factories, development zones, high-technology parks, infrastructure, tourist areas, commodity markets, and the construction and development of schools; and cordially talked with local cadres and people to learn about the agricultural and rural work and the conditions of primary party organizations.

Comrade Yang Shangkun fully confirmed the tremendous achievements Fujian has made since reform and opening up. He said: Although Fujian has relied on reform and opening up to develop over the past decade or so, it still has to adhere to reform and opening up for further development in the future. Presently, China is in a transition period from the old system to the new and is facing some difficulties. To solve these difficulties, we still need to continue reform and opening up; the general principle and policy of adhering to reform and opening up should not change. I hope Fujian will take the lead in probing new ways and always sum up methods to create new experiences for the entire country.

He said: With its long coastline, special economic zone, and a variety of development zones, Fujian has many opportunities for development. Fujian should fully take the advantage of the fact that many overseas Chinese are from Fujian and that it is only a strip of water away from Taiwan, where many people have their ancestral homes in Fujian and share the identical language and similar customs, to attract more capital from foreign countries; Taiwan; and overseas Chinese. Fujian should import big projects and make great breakthroughs.

Also on the inspection tour were Gu Linfang, vice chairman of the National People's Congress Internal and Judicial Affairs Committee, and others.

Wu Bangguo in Liaoning

*OW1911000694 Beijing XINHUA in English 1754
GMT 18 Nov 94*

[FBIS Transcribed Text] Shenyang, November 18 (XINHUA)—Conceptual changes and market orientation are crucial in resuscitating large and medium-sized state-run enterprises, said Wu Bangguo, a member of the Political Bureau of the Communist Party of China (CPC) Central Committee, during his inspection in northeast China's Liaoning Province from November 12 to 16.

An old industrial base of China, Liaoning Province teems with large and medium state-run enterprises.

Wu, who is also a member of the Secretariat of the CPC Central Committee, praised the province for its reforms conducted in the enterprises and noted that there is still a long way to go for the province to totally shift to the market economy since it has long been confined to a planned economic system.

Wu emphasized that the enterprises should readjust their industrial structures to adapt themselves to a market economy. Overseas investment and technologies should also be introduced, he added.

As a result of competition, Wu said, some mainstay industries will emerge, and he stressed that the reform should have focal points, meaning enterprises which have good industrial structures.

Finally, he pointed out that a qualified, devoted and industrious entrepreneurial team is very important for reforming the enterprises.

Since China will shift its focus in reforms to the large and medium state-run enterprises next year, the top leaders of China, Jiang Zemin, Li Peng and Zhu Rongji have all inspected the province.

Li Tieying in Shanghai

*OW1911015194 Shanghai People's Radio Network in
Mandarin 2300 GMT 17 Nov 94*

[From the "990 Morning News" program]

[FBIS Translated Text] Li Tieying, member of the CPC Central Committee Political Bureau, state councilor, and minister in charge of the State Commission for Economic Restructuring, inspected work in Shanghai 8-17 November. He conducted investigations and studies and sought opinions from people of various units on such issues as deepening reform of the state economic structure and reform of the housing and social security systems.

During his stay in Shanghai, Li Tieying—accompanied by Huang Ju, member of the CPC Central Committee

Political Bureau, secretary of the Shanghai Municipal CPC Committee, and mayor of Shanghai—inspected a number of large and medium state-owned enterprises and rural areas, and held various symposiums to hear opinions and suggestions on deepening reform, quickening the pace of the building of a socialist market economic system, and other issues. Li Tieying said: Effectively advancing reform of the urban economic structure and in related fields is an important part of the party's and government's work for the next year. These reforms will create a favorable objective environment for bettering large and medium state-owned enterprises. He fully affirmed Shanghai's achievements in enlivening state-owned enterprises, in reforming the housing system, and in building a social security system. He urged Shanghai to further advance these reforms to make them more complete and exemplary.

At a symposium on economic restructuring attended by comrades from five provinces and municipalities and nine east China prefectures held 9-10 November, Li Tieying and other comrades fully discussed the various reform tasks for next year.

Zou Jiahua on Plans for State Architectural Firms

*HK1911075794 Beijing CHINA DAILY in English 19
Nov 94 p 1*

[By Yang Yingshi: "For-Profit Architectural Firms Are on the Horizon"]

[FBIS Transcribed Text] The government plans to turn State-run architectural design firms into profit-making enterprises, Vice-Premier Zou Jiahua revealed yesterday.

Zou made the remark at the opening of a four-day national conference on construction design.

He also said that a project-owner responsibility system will be gradually applied to infrastructure construction projects. Under the system, the owner of the project will be responsible for investment returns and the servicing of loans, Zou explained.

"And the architectural units should become internationally-oriented firms, which are responsible for their own profits and losses and involved in both domestic and overseas projects," he said. "Their work will cover design, research, construction management and technological development."

Zou urged architects to learn advanced technology from other countries and adopt international standards.

Also, the Minister of Construction disclosed that a new system will be implemented to register architects and engineers in a bid to meet international standards and the needs of a surging socialist market economy.

According to the minister, Hou Jie, there has been remarkable development in the country's architectural design industry in recent years.

The industry earned 14.1 billion yuan (\$1.7 billion) in 1993.

At present, more than 500,000 architects work in the 10,000-odd designing units across the country.

The architectural industry has become one of the few that doesn't receive funding from the government, making it possible for the State-run units to become independent enterprises in the next few years, said the minister.

At yesterday's conference, 20 projects received "National Best Design" awards.

Meanwhile, 121 top designers were honoured as "Designing Masters," and 138 institution directors were awarded.

A national meeting on earthquake proof and civil air defence construction also opened yesterday.

Economist on Challenges of 21st Century

HK2111092594 Beijing LIAOWANG in Chinese No 44, 31 Oct 94 p 14

[Article by Dai Yuanchen (2071 0954 2525), research fellow at Economics Institute under Chinese Academy of Social Sciences: "It Is Necessary To Start Repairing House Before It Rains With Regard to Next Century"]

[FBIS Translated Text] Historically, China has never witnessed sustained high-speed economic growth. Often, after an upsurge, China's economic growth soon plummets to a new low. Nonetheless, China's present situation shows that on the basis of a sustained high rate of growth over the past three years, China is very likely to witness a continued high rate of economic growth in 1995.

This year's inflation erupted at a time when China's price structure was being smoothed out at full steam. The inflation level is still controllable at the moment. Under such circumstances, we should not try to lower the inflation indices at the expense of fixed reform goals.

Inflation in China is starkly different from that in the advanced Western countries. While Western countries encounter a low inflation rate coupled with high prices, China is encountering a high inflation rate coupled with low prices. Although China is besieged by higher inflation at the moment, visitors from advanced Western countries still feel that things in China are far from expensive.

The Chinese also view inflation in different ways. Households with a monthly income over 2,000 yuan are not feeling the pressure, thanks perhaps to their low Engel coefficient (ratio between amount of money spent on food and total income). Urban households with a monthly income of about 500 yuan are finding soaring prices unacceptable. Nonetheless, at a time when the Chinese economy is quickly merging with the world

economy, we cannot demand that world price levels conform with China's price level. Rather, as a result of this economic merger, high foreign prices have already "found their way into" China through certain merger points (such as service prices).

In making an economic forecast, I have paid special attention to the year 2000, namely, the turn of the century.

Since the end of the Cold War, the United States has diverted its huge military expenditure from arms expansion to hi-tech production. For instance, the United States plans to build an information expressway. What China should do in order to meet the forthcoming fierce international competition over information, science, technology, and qualified personnel in the 21st century is a major issue not to be overlooked. We should start repairing the house before it rains.

'Special Article' Opposes Antidumping Measures

HK2111092994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0726 GMT 20 Nov 94

["Special article" by reporter Si Liang (1835 5328): "China's Active Response to Foreign Countries' Dumping Charges:"]

[FBIS Translated Text] 20 Nov (ZHONGGUO TONGXUN SHE)—Since the beginning of the 1990's, with the drastic growth in mainland China's exports, some European and American countries have pursued trade protectionism by using "anti-dumping" as a pretext, thus affecting normal exports of Chinese commodities and, in particular, putting some traditional Chinese export commodities in the dangerous position of being forced out of the international market.

According to China's own statistics, in the last 15 years since the EC began its first antidumping case in 1979, investigating saccharine exported by China, there have been 172 antidumping cases involving Chinese commodities sold abroad, an annual average of 22 cases in the 1990's, and last year there were 25 cases. By October this year there had been more than 20 cases, adversely affecting an export trade volume of several billion U.S. dollars.

Those advancing antidumping charges are mainly developed countries such as the United States, Canada, the EC, Japan, and Australia, as well as some developing countries in Asia, Africa, and Latin America. Some 140 varieties or more of Chinese commodities have been involved in "antidumping" cases, including textiles, garments, light industrial products, native and animal husbandry products, food, electronics, electrical appliances, medicines, machines, metal goods, chemicals, and mining products. More than 30 varieties of Chinese electronics and machinery products have been subjected to antidumping penalties to date.

According to a briefing given by an official from the Ministry of Foreign Trade and Economic Cooperation [MOFTEC], the Chinese authorities' attitude toward the "antidumping" issue is quite clear. First, the Chinese Government is always opposed to enterprises dumping. As a developing country, China does not have the capability to dump goods in large quantities. It is obviously unfair to indiscriminately accuse China of dumping goods. China is very concerned about the application of "antidumping" by some countries against Chinese commodities. Just as MOFTEC Minister Wu Yi has pointed out: The current "antidumping" measures taken by some countries have become trade protectionism to a great extent, particularly against China's export commodities. This is firmly opposed by China.

Next, prices of raw and semifinished materials and labor are low in mainland China and prices of its export commodities are correspondingly low. This is an objective fact. Nevertheless, the Chinese authorities concerned have also admitted that some mainland enterprises have striven for market share by reducing prices, and they are not opposed to enterprises involved in such activity being punished by foreign countries. However, more often than not, some countries judge if a certain product is dumped or not with unfair and subjective measures, and, consequently, all enterprises in the same trade on the mainland are associated with the dumping charge. This is unacceptable. The Chinese Government has persistently urged enterprises to become involved in proper competition in accordance with commercial regulations of standardization. Unregulated enterprises are rare.

In view of a situation where enterprises are competing more seriously to sell their products at reduced prices and the number of "antidumping" cases advanced by foreign countries against Chinese commodities has risen in recent years since China liberalized its foreign trade operations, the Chinese authorities have rectified the foreign trade order and gradually improved the rules and regulations concerning foreign trade. For example, since the beginning of this year, China has subjected quotas of 24 varieties of export commodities to public bidding with compensation on a trial basis, taken the antidumping issue as an element of consideration in examining and approving foreign-invested enterprises, and formulated new policies on the management of import and export trade prices.

Moreover, in view of the international antidumping trend, the Chinese authorities are actively taking measures to train antidumping personnel, set up an antidumping fund, and strengthen the function of the chambers of commerce of importers and exporters. In particular, the "Regulations on Answering Charges in Antidumping Cases," which were promulgated in April this year, define vigorous efforts that should be made to answer antidumping charges and enterprises (including foreign-funded enterprises) which do not try their best to answer antidumping charges will be punished by partially or fully withdrawing their licenses to apply for

export quotas, and those whose cases are serious will be partially or fully deprived of the right to operate foreign trade and will be fined.

Mainland economic and trade experts maintain: As the pressure of protectionism is building up, competition for markets is bound to intensify, and antidumping will become a weapon some countries use to restrict imports and build up market defenses, and Chinese enterprises will probably face more and more "antidumping" charges. Therefore, it is urgently necessary for us to adopt once and for all effective measures and swiftly learn to protect ourselves in the international antidumping ocean.

China To Urge Foreign Investment in Infrastructure

OW2111054694 Beijing China Radio International in Mandarin to Asia 0900 GMT 14 Nov 94

[From the "Report on Current Events" program]

[FBIS Translated Text] Listeners and friends, to step up infrastructure and basic industries construction, the Chinese Government will take measures, allowed by policies, to encourage foreign investment in agriculture, water conservancy, communications, energy resources, and important raw and processed materials projects in China. This reporter learned this at the recent Beijing international forum on issues concerning the promotion of foreign investments in China's infrastructure.

The forum, jointly hosted by the State Planning Commission and World Bank, was aimed at encouraging foreign businesses to invest in China's infrastructural construction. At the forum, Ye Qing, vice minister in charge of the State Planning Commission, briefed over 60 responsible people and experts from foreign banks and notable international companies on China's overall ideas about infrastructure and basic industries construction for the nineties.

He said: In the construction of communications, China plans to build over 300 deep-water berths to increase its total handling capacity by nearly 400 million tonnes, build a number of expressways and high-grade highways to form an expressway network along the coast, expand and build 20 large-scale airports, and overhaul and modernize some important railway trunks. In the construction of telecommunications, China wants to step up the automation of long-distance phone calls and plans to add over 12 million telephones every year.

In the development of energy resources, China will give priority to developing hydroelectric power in the coming years and build nuclear power plants in coastal and developed areas. It will expand international cooperation in the petroleum industry.

As for supplies of raw and processed materials, China will upgrade the equipment of existing steelworks and build one or two large-scale steel bases by the end of this

century. Meanwhile, the petrochemical industry will improve old factories and develop new products.

In agricultural construction, China will emphasize the development of a fine-quality and high-efficiency agriculture and vigorously develop village and town enterprises.

Ye Qing noted: By the end of the century, there will be some 130 infrastructure and basic industry projects in China awaiting foreign investment, which should amount to dozens of billion yuan.

It has been learned that to achieve the aforesaid objectives, the Chinese Government will take a series of measures, including giving priority to qualified foreign-invested projects in granting bank loans and offering more tax breaks to foreign-invested communications and agricultural projects. In view of the fact that infrastructural construction requires a large volume of investments and a long payoff period, the Chinese Government is considering allowing foreign businesses investing in railway, highway, and bridge projects to operate some projects of higher profits, depending on specific situations, as compensation for their investment in such infrastructure projects.

According to statistics, China has spent roughly one third and 17 percent of medium- and long-term foreign loans, from 1979 to 1993, on the development of energy resources and the construction of communications and telecommunications, respectively. Due to historical conditions and regional preferential policies, foreign businesses have concentrated their investments in coastal areas in the past. In the future, the Chinese Government will attach more importance to offering preferential policies to encourage foreign investment in hinterland industries.

Gold Mines Earmarked for Foreign Investment

HK2111064694 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Nov 94 p 1

[By Pei Jianfeng: "State Solicits Gold Teamwork"]

[FBIS Transcribed Text] China has selected 10 gold mines with proven reserves of between 10 and 50 tons each as a pilot project for introducing foreign investment and technology to the sector.

Cui Lan, chairman of the China National Gold Corp, said prospective reserves for some of them could reach 100 tons.

But all are low-grade or hard to dig, for which China lacks the technology and equipment to exploit.

The mines are located in Liaoning, Guangdong, Yunnan, Guizhou, Shandong and Jilin provinces and Guangxi Zhuang Autonomous Region.

The China National Gold Corp is now responsible for selecting these gold mines, negotiating with foreign companies and signing contracts, Cui said. The Corp [as published], with 23 gold mines and two smelters, is the only group company in China's gold industry.

Cui said that the world's major gold-mining companies from Canada, the United States, South Africa and Australia have all come to China to inspect the mines and have shown keen interest in investing in China's gold industry through joint ventures.

Although joint-venture gold mines in China have to sell all their output to the State at a price about 10 percent lower than the price on the world market, they will still be profitable due to the country's low production costs, he said.

More important, foreign companies hope to gain footholds in China, which is already the world's largest gold consumer.

The China National Gold Corp has signed two letters of intent with the Barrick Power Gold Corp of Canada to develop two gold mines in the country.

China will adopt the method of public bidding to choose foreign investors for the remaining eight mines, Cui said.

Barrick Power Gold Corp was established early this year by the American Barrick Resources Corp and Power Corp of Canada to pursue gold mining opportunities in China.

Early this month, the Corp signed letters of intent to set up two joint ventures with the China National Gold Corp to develop the Paishanlou deposit in Liaoning Province and the Changkeng deposit in Guangdong Province.

Barrick Power will acquire a 75 percent interest in the Paishanlou Gold Mine by providing management, technology and financing.

The joint-venture mine is an open pit with mining operation of 30,000 tons per day and a 4,000 ton-per-day milling facility.

With investment totalling \$98 million, the joint venture is expected to produce gold next year.

The Changkeng gold mine, as a refractory deposit, will be developed using Barrick Power's innovative 'auto-claving' technology.

A major exploration programme is planned for the deposit in 1995, once the joint venture has been established.

Sources Claim Foreign Banks Face Bad Debts

HK2111040294 Hong Kong EASTERN EXPRESS in English 21 Nov 94 p 25

[By Wang Xiangwei]

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[FBIS Transcribed Text] Although they are reluctant to say publicly, almost every foreign bank in China is faced with bad debts or overdue loan repayments, banking sources in Hong Kong said yesterday.

And those foreign banks will face an uphill battle claiming their money back as the Chinese borrowers—under the government's tight monetary policy—cannot keep up with their payment schedules. Sources say European and Japanese banks have more bad debts or overdue loans than any other group of foreign banks. Last week the problem was highlighted when Lehman Brothers revealed it was suing two mainland companies to recover US\$100m (about HK\$780m) in unpaid foreign exchange and swaps transactions. It has also been reported that 31 banks have written to Beijing seeking US\$600m in overdue repayments from the state-owned enterprises.

Foreign Banks' Problem Loans Viewed

HK2111043294 Hong Kong EASTERN EXPRESS in English 21 Nov 94 p 36

[By Wang Xiangwei from the "Exchange Square" column]

[FBIS Transcribed Text] A salute to Lehman Brothers and Credit Lyonnais for leaking to the press their financial grievances with Chinese companies.

It takes more than courage to do that. Every foreign company understands that "don't wash your dirty linen in public" is the unspoken cardinal rule of dealing with Chinese companies. Violation of that rule could wreck future business opportunities.

That explains why the traditionally tight-lipped foreign bank community still largely maintains an almost surreal outward calmness while more and more of their loans fall overdue and unrecoverable bad debts pile up. Although figures are difficult to come by, it is safe to say that almost every foreign bank in China is involved.

The situation could get worse as the central government continues its tight monetary policy. One result is that foreign banks, particularly Japanese banks which were generous lenders in the past, are being forced to review their lending policies.

Many of their current overdue loans or bad debts have stemmed from the last wave of the overheating Chinese economy in the 1980's. Then foreign banks took part in a lending spree—partly through the leasing companies in which they are major shareholders—to fund everything from industrial projects to imports of luxury cars and aircraft leasing. The joint-venture leasing companies have never recovered from the 1989 clampdown and the foreign banks have not managed to recover their loans.

The failure to understand how the Chinese economic system works has also resulted in foreign banks making loans they would regret later. They lent to local branches

or subsidiaries of national financial institutions and conglomerates assuming they represented the wishes of their parents in Beijing. But that was not the case on many occasions, with the companies approaching the foreign banks for loans either at the behest of the local governments or for reasons they want to hide from the parent companies.

As a result, foreign banks will find themselves in the difficult situation where the borrowers have no money to repay loans while the parent companies want to have nothing to do with the problem.

Another problem is that once the Chinese financial institutions get the loans, foreign banks often have no way of controlling or tracking where the money really goes. Many loans have ended up in the risky business of trading securities and foreign exchange and property development.

What has really shocked foreign banks is that quite a few Chinese borrowers just simply refuse to repay loan principal or interest. Phone calls are not returned and the simplest excuse is that the person in charge is always sick or on leave.

Many foreign banks seem to have concluded enough is enough. A group of 31 Japanese banks have reportedly written to Beijing for help to recover some US\$600m (about HK\$4.7bn) in loans to state enterprises.

The pressure is on. It remains to be seen whether more companies will follow in the steps of Lehman Brothers.

Foreign-Funded Enterprises Face Problems

HK1911060894 Beijing ZHONGGUO XINWEN SHE in English 0359 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (CNS)—According to Liu Yimin, vice chairman of the China Association for Foreign-funded Enterprises, the small and medium-scale investment of foreign businessmen in China has been confronted with the following three problems at the moment.

1. Investment in kind. Some foreign businessmen set a high price for their equipment, some use inferior facilities as quality ones. Few even purchase China-made equipment and pass it off as imported facilities from West.
2. There is a low rate of capital in place with a great variance between contracted capital and those capital being actually in place. Joint-ventured items in general have only one third of pledged investment in place. Japan, by providing half of its investment in place, has a comparatively higher rate of capital in place.
3. Some foreign-funded enterprises neglect labour protection. It is common to impose overtime on workers. Some even resort to physical punishment on their staff. Moreover, several essential protective measures are not carried out to safeguard workers.

Mr. Liu added that China is gradually improving its stipulations and systems on the introduction of foreign investment and the management over foreign-funded firms. The three problems raised above mainly exist among some medium and small-sized joint ventures but seldom happen to large-scale multi-national companies. This is because these big companies have a complete set of management system. They pay more attention to abiding by laws and stipulations of the host country.

Official: Tax Policy on Export Goods 'Unchanged'

HK2111092294 Beijing CHINA DAILY in English 21 Nov 94 p 1

[By Gao Binhua: "Official Clarifies State Tax Policies"]

[FBIS Transcribed Text] A senior tax official has moved to ease confusion about taxes on export goods produced by foreign-funded enterprises.

The tax policy concerning export goods of foreign-funded firms set up before the end of 1993 will remain unchanged and the new system will not increase enterprises' tax burden, he said.

The official was clarifying tax regulations laid out in a circular, "Notification on the Tax Policy Relating to Export Goods of the Foreign-funded Enterprises," issued by the Ministry of Finance and the State Administration of Taxation (SAT) on August 25.

The regulations stipulate that foreign-funded enterprises set up before the end of 1993 cannot claim a refund of input tax on the purchase of domestic raw materials used to produce export goods.

The regulation has prompted many reports and comments in overseas media.

"There's no new policy contained in the circular. It only restates and clarifies the tax policies which have been implemented for many years," the SAT official said.

Until the end of last year, foreign funded enterprises were subject to the Industrial and Commercial Consolidated (ICC) Tax.

The old tax regulations specified that:

- Firms were exempt from ICC tax on the last level of export sale;
- Enterprises which used imported raw materials to produce export goods were exempt from customs duty and ICC tax on the imported materials.
- All the taxes included in the purchase of domestic raw materials were not refunded.

These will remain unchanged under the new system and were only reiterated in the August circular, the official said.

Under the new system launched at the start of this year, both domestic and foreign-funded enterprises are now

subject to unified turnover taxes, including value-added tax, consumption tax and business tax.

And foreign-funded firms set up this year, like domestic enterprises, can now get a refund of input tax on the purchase of domestic materials to produce exports goods.

"The reform will not reduce the preferential tax policies and will not increase the tax burden for foreign-funded enterprises," he said.

China Drafting New Bankruptcy Law

OW1911041994 Beijing XINHUA in English 0344 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (XINHUA)—China is drafting a new law on bankruptcy, which is expected to be promulgated in the coming year, according to today's "CHINA SECURITIES".

Wu Chunsheng, deputy leader of the Bankruptcy Law Drafting Group under the Financial and Economic Committee of the National People's Congress (NPC), said that the drafting of the new law is now in its final stage, and it is expected to be examined by the NPC next year.

Wu was speaking yesterday at a seminar here on the transfer of property and bankruptcy. The new law will contain transitional articles on the bankruptcy of state-owned enterprises.

The present bankruptcy law was adopted by the NPC in 1986.

Wu said that the law, made eight years ago, can no longer meet the present need of building a socialist market economy.

He said that the new law is intended to deal with the new problems cropping up in the new situation.

Moreover, he said, the new law will take into consideration both the country's reality and international practices. It will help develop social productive forces and reduce the negative effects bankruptcy may have on enterprises, he added.

Bank Restricts Use of Loans in Joint Ventures

HK2111094294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0824 GMT 6 Nov 94

[FBIS Translated Text] Beijing, 6 Nov (ZHONGGUO TONGXUN SHE)—The Industrial and Commercial Bank of China laid down a new rule a few days ago: Before repaying loans which are for fixed assets and working capital, state-owned enterprises which have opened accounts at its branches may not use these loans as their share of investments in joint ventures with foreign investors. The main contents of the rule include:

First, enterprises may not use working capital as their share of investment in joint ventures with foreign investors without approval from the bank.

Second, bank loans may not be used as a source of capital in joint ventures with foreign investors.

Third, loans required by enterprises in joint ventures with foreign investors must be settled by the bank and relevant departments.

Fourth, before repayment of the loans, equipment and factory buildings purchased with the loans may not be used as a share of investment in joint ventures with foreign investors.

Use of Foreign Exchange Certificates To End 1 Jan

OW2111120894 Beijing XINHUA in English 1125
GMT 21 Nov 94

[FBIS Transcribed Text] Beijing, November 21 (XINHUA)—The foreign exchange certificate (FEC) is to stop circulation as of January 1, 1995 and the time limit for conversion has been set for the end of June 1995, the People's Bank of China (PBC) announced here today.

The PBC announcement said that starting from January 1, 1995, no Chinese organizations, foreign-funded enterprises and foreigners, overseas Chinese and compatriots from Hong Kong, Macao and Taiwan and Chinese residents will be allowed to use foreign exchange certificates for pricing, collection, payment or settlement of accounts.

FEC holders are required to convert their foreign exchange certificates into U.S. dollars at designated banks at the official rate quoted on December 31, 1993 before June 30, 1995.

According to the announcement, foreign-funded firms may deposit their dollars converted in their bank accounts while Chinese units and individuals have to convert the dollars they converted from foreign exchange certificates into renminbi yuan at the exchange rate quoted on the day of their conversion.

Foreign exchange certificates carried out of the country may be converted into U.S. dollar at the local branches of the Bank of China before June 30, 1995 also at the rate quoted on December 31, 1993.

The announcement said that foreign exchange certificates may be converted at such national banks as the Industrial and Commercial Bank, the Construction Bank, the Agricultural Bank and the Communication Bank before December 31, 1994. But starting from January 1, 1995, the foreign exchange certificates can only be converted at the Bank of China.

China stopped issuing FEC at the beginning of this year. "Currently there is only a small amount in circulation," said the announcement. "We will press ahead with

banking reforms according to schedule and see that renminbi yuan is the only currency used in China."

Arms Factories Switch to Civilian Export Production

HK2111064494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Nov 94 p 1

[By Qiu Qi: "Converted Factories Export \$560 Million"]

[FBIS Transcribed Text] Exports of civilian products manufactured by China's aviation companies are expected to hit \$560 million this year.

These enterprises, which had limited their production to military output for decades, turned to civilian electrical and machinery output in the late 1980's to boost exports.

In the January-October period, such exports reached \$532 million, up 28 per cent from the same period last year.

Cranking-out nearly 20 kinds of products including civil aircraft and parts, motorcycles, auto parts, tools, machines and mini-vans, aviation electronics and other machinery products, the aviation industry has earned a role as a model exporter in the last six years, said Liu Jingzhang, director of the Export Department under Aviation Industries of China.

China in 1988 urged military manufacturers to turn to civilian production. In the following years, exports of electric and machinery products in aviation rose by \$100 million annually, hitting \$539 million last year.

During the year, electric and machinery product exports accounted for 31 percent of the aviation industry's total.

Rising prices for raw materials and low finished goods prices on the world market have hampered exports this year, according to an official with the China Chamber of Commerce for Electric and Machinery Products Import and Export.

He added that the nation's overall shortage of capital has also affected exports of domestic enterprises.

The government will set up an import-export credit bank to fuel exports of electric and machinery equipment. This year, the export sellers' credit for products will rise to 5 billion yuan (\$581 million), compared with 3 billion (\$347 million) last year.

Every year, the country also arranges 600 million yuan (\$69.8 million) of loans for technology renovation of electric and machinery manufacturing.

And more investment in the sector is expected in the form of foreign commercial loans.

The industry will also launch more overseas repair and assembly plants to boost exports, the official said.

Backbone enterprises as well as coastal special economic zones play a big role in stimulating exports of aviation products.

So far, the industry has set up 45 export bases and enterprises with export licence, among which 10 boast annual export volume of \$10 million.

China National Aero-Technology Import and Export Corporation (CATIC) is the country's largest trader in aviation products. Last year, its export volume topped \$400 million.

Coastal regions occupy 56 percent of aviation's electric and machinery products export.

Earlier this year, CATIC's Guangzhou branch set up a motorcycle processing line in Pakistan and became the first exporter of a whole set of electric and machinery equipment for aviation industry.

By 2000, the country's aviation industry plans to ship \$1.8 billion of electric and machinery products abroad.

Statistics Bureau Reports Oct Economic Results

HK1911082194 Beijing ZHONGGUO XINWEN SHE
in English 0631 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (CNS)—The following text is a report on economic situation in October in China provided by the State Statistical Bureau.

1. The industrial production showed a rapid growth. Industrial production's added-value of township-level enterprises and above in October reached RMB [Renminbi] 142.6 billion, 24.3 percent up than that of the same month of last year, and 6 percent up than the previous month calculated on average daily production value, the highest growth ever seen in the past ten or more years.

Three encouraging changes were seen in industrial production in October.

First, the trend of continuous fluctuation seen in state-owned industry was reversed and an apparent fast growth in industrial production emerged. Industry's production's added-value of the state-owned enterprises and state-owned share-holding enterprises in October numbered RMB 88.7 billion, 11.3 percent up than the same month of last year, and showing an increase of 5.5 percentage points than the first nine months of this year. Second, the heavy industry's production recovered to some extent after readjustment. Added-value in heavy industry in October was RMB 82.4 billion, 22.7 percent up, showing remarkable growth than the first nine months. The gap in industrial growth between light industry and heavy industry was narrowed by 0.6 percentage points. Third, economic efficiency of enterprises turned for the better. The ratio of production to marketing of industrial products in October was 95.64 percent, approaching the normal level, and showing an

increase of 1.7 percentage points than the ratio in the first nine months and an increase of 3.3 percentage points than that in the former half of this year. The composite index of economic efficiency of township-level industrial enterprises and above which practise independent accounting between January and September was 96.92, an increase of 0.58 percentage points than the same period of last year. The loss-making state-owned enterprises have also improved their situation with the loss made by independently accounting industrial enterprises by the end of October dropped by 2.9 percentage points than that at end of June. The stockpiling of end products and growth in outstanding funds on account at the end of October respectively fell by 2 and 5 percentage points than that at end of September.

The national industrial added-value between January and October accumulated to RMB 1,298 billion, 17.4 percent up than the corresponding period of last year.

2. Restriction was continuously posed on fixed assets investment. Fixed assets investment of the state-owned entities between January and October was RMB 674.9 billion, 40.4 percent up than the same period of last year. Such investment in October fell by 3.5 percentage points compared with the average from January to September. Among them, investment in infrastructural construction was RMB 375.8 billion, 41.3 percent up; investment in renovation and transform of enterprises was RMB 157.1 billion, 36.1 percent up. Three better changes have been also seen as far as investment is concerned. One, investment growth put in local projects slowed down. Investment in local projects in the first ten months was RMB 355.5 billion, 40.8 percent up, but the growth rate fell by 27.4 percentage points than the same period of last year and by 17.4 percentage points than that put in central government's projects. Two, the number of new projects was effectively controlled. The country had seen 36,768 projects start construction by the end of October, decreasing by 3,865 in number than the corresponding period of last year. Third, investment in basic industry and infrastructural construction rose up. From January to October, investment in energy industry was RMB 135.6 billion, 55 percent up than the same period of last year; investment put in transportation, posts and telecommunications was RMB 115.1 billion, 34.1 percent up. However, more attentions should be given to oversized fixed assets construction, low investment ratio in agriculture and low investment efficiency.

3. Domestic market tends to boom. The retail sales value in October registered RMB 144.4 billion, 37.4 percent up than the same period of last year or 9.7 percent up taking inflation rate into account, a month showing the highest growth since early this year. The retail sales value from January to October totaled RMB 1,256.7 billion, 29.3 percent up than the corresponding period of last year or 6.2 percent up in real term.

4. The export value exceeded import value in foreign trade. According to statistics of China's customs, the

export value in October was US\$ 10.4 billion, 29.6 percent up than the same month of last year. The import value was US\$ 9.4 billion, 8.7 percent up. The balance registered US\$ one billion in favour. Export value from January to October accumulated to US\$ 89.86 billion, 29.7 percent up than the same period of last year; import value amounted to US\$ 87.45 billion, 14.5 percent up, the favourable balance registered US\$ 2.41 billion.

5. The public revenue increased fast with that in October rising up 15.2 percent than the same month of last year thanks largely to implementation of new measures in collection of tax.

6. Money supply was tightened to certain extent. Growth of the amount in deposits and loans in October declined to some extent than the same month of last year. Loans of various kinds offered by banks and credit cooperatives fell by RMB 2.6 billion.

7. Prices kept rising but its momentum slowed down to some extent. Consumer price in October rose by 1.7 percent than the previous month and 27.7 percent up than the same month of last year. The consumer price in October in 35 major cities rose by 1 percent than that of the previous month and by 24.8 percent up than that in the same month of last year.

Investment Growth Boosts Industrial Production

HK2111064394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20-26 Nov 94 p 1

[By Qi Jingmei: "Industry Sees Sound Growth"]

[FBIS Transcribed Text] Supported by a rich supply of energy and raw materials, robust industrial development has entered a more rational period.

The current high growth is different from that in the past few years when crippled infrastructure construction bottlenecked the fast industrial growth, resulting in an overheated economy.

Although still running at a high speed, the present industrial development is well-backed with the fast development of energy and raw materials industries.

Huge investment and price reform for raw materials, such as electricity, coal and oil, stimulated the fast increase in production of these materials.

During the first three quarters of this year, State-owned enterprises invested more than 100 billion yuan (\$11.7 billion) for energy and another over 100 billion yuan (\$11.7 billion) for transportation and telecommunications, accounting for 42 per cent of these enterprises' total investment in fixed assets.

Production of major raw materials has registered increases of more than 10 per cent, laying a good foundation for this year's supply of raw materials.

In addition, the huge imports of raw materials last year also stockpiled enough goods for this year's production.

In 1993, China imported 30.26 million tons of steel and 15.64 million tons of oil.

The sustained growth of investment in fixed assets also presents an important support to the fast industrial growth.

During the past three quarters, State-owned enterprises invested 586 billion yuan (\$68.9 billion) in fixed assets, up 43.9 percent from the same period last year.

More of the investment was channeled to infrastructure construction as the government expected.

Production for energy and raw materials is expected to gain more upward momentum next year. Industrial production is forecast to grow 22.7 percent in the first quarter of next year.

And the fast industrial growth makes the time ripe for the State to pour more efforts to develop heavy industry.

Heavy industry has grown faster than light industry since 1992. Growth rates for heavy industry were 29 percent and 24.8 percent in 1992 and 1993 respectively, compared with the 26.1 percent and 22.4 percent registered by the light industry.

Meanwhile, the ratio of heavy industry production in the total industrial output has also been improved from the 51.1 percent in 1991 to 58.3 percent in 1993.

Now, with high inflation becoming the biggest headache in the country's economic development, experts say the central government should continue its current stable macroeconomic control policies to curb the high speed growth in investment and inflation.

It should also lean more on interest rates to fight against inflation.

The current interest rates for bank deposits are too low compared with the high inflation.

The annual interest rate for one-year fixed-term deposits is 10.8 percent while inflation in September was 24.6 percent.

This year's runaway inflation is a function of the massive reforms in price, taxes and foreign exchange rates launched in the past two years.

Salary reform also fattened urban residents' income, which in turn pushed demand and compelled price hikes.

Inflation is expected to be lower next year as long as the central government takes effective measures to stop overheated growth of residents' income and illegal price rises.

The retail price index is forecast to grow 18 percent in the first quarter of next year.

Nongovernmental Economy Booms in Autonomous Regions

OW1811154094 Beijing XINHUA in English 1527 GMT 18 Nov 94

[FBIS Transcribed Text] Nanning, November 18 (XINHUA)—China's five autonomous regions had 1.45 million household businesses employing more than 2.1 million people by the end of June this year, official sources said.

According to an official attending a joint meeting of industry and commerce directors from Guangxi Zhuang, Xinjiang Uygur, Ningxia Hui, and the Tibet and Inner Mongolia Autonomous Regions, family businesses had a combined registered capital of some 750 million yuan (86.2 million U.S. dollars).

The five regions also have 15,000 private businesses employing 210,000 workers, the official said.

More than 80 percent of the family and private businesses, according to him, specialize in the service sector.

In Tibet, such businesses have been growing at an annual rate of 45 percent since the beginning of the 1980's. The region's number of family businesses has soared to more than 40,000, as against some 489 in 1980.

He added that nongovernmental businesses have greatly promoted the market economy drive in the five regions.

Securities Worth RMB 700 Billion Issued Since 1981

HK1911014694 Beijing ZHONGGUO XINWEN SHE in English 1229 GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (CNS)—According to statistics provided by relevant state department, in the period from issuance of state treasury bonds in 1981 to the end of 1993, China issued different kinds of securities which worth more than RMB [renminbi] 602.5 billion. Together with the issue of about RMB 1 billion A Shares and B Shares this year, as well as over RMB 100 billion treasury bonds, China accumulatively issued securities of more than RMB 700 billion in the past 14 years, of which the issue of A Shares and B Shares accounted for more than RMB 26 billion.

China Now Biggest Diamond Producer in Asia

OW1911034294 Beijing XINHUA in English 0204 GMT 19 Nov 94

[FBIS Transcribed Text] Hefei, November 19 (XINHUA)—After eight years of development, Quanjiao County in east China's Anhui Province has become the biggest diamond producer in Asia, with an annual production output of 1,265 carats, worth 80 million yuan.

The Changjiang Super-Hard Materials (Group) Company was designated as the leader in Asia at a meeting on the diamond trade, held in Zhengzhou, capital of Henan Province.

The production scale of the diamond company has been expanded this year, and its output is expected to reach 2,000 carats, accounting for over 20 percent of the country's total.

Minister of Metallurgical Industry Inspects Hunan

HK2111092394 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 14 Nov 94

[FBIS Translated Text] On 4 and 5 November, Liu Qi, minister of the Ministry of Metallurgical Industry, inspected the Xiangtan Iron and Steel Company and the Lingling Iron and Steel Holding Company. During the inspection he pointed out that iron and steel enterprises must make efforts to enhance the value added to their products. Some iron and steel enterprises' experience indicates that enhancing value added to their products will not necessarily reduce their incomes, although they may produce less.

On 6 November, at a meeting held by the Ministry of Metallurgical Industry, the provincial party committee, and the provincial government on Hunan's metallurgical industry development program, Vice Governor Zhou Bohua said that the Hunan provincial government recently decided to extend contracts for metallurgical industrial projects until the year 2002, during which billions of yuan will be allocated for technical transformation so that Hunan's steel production capacity will reach 5 million metric tons by the year 2002.

Liu Qi agreed with the provincial party committee and government's decision on taking the metallurgical industry as a pillar industry. Liu Qi and Zhou Bohua held discussions on Hunan's metallurgical industry development program and the adjustment of its product mix.

Nonferrous Metal Production Discussed at Symposium

OW1811162194 Beijing XINHUA in English 1541 GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (XINHUA)—China's nonferrous metal industry has been expanding at an annual growth rate of about 9.8 percent over the past decade and production is expected to double in the coming 15 years.

Sources from the two-day International China Metal Symposium which ended here today say that China's metal products have become an important part of the world metals market.

Experts noted that China's imports and exports of some nonferrous metals, including copper and tungsten, have exerted a great influence on the price of those metals in the world market.

China's production of ten leading nonferrous metals, including copper, aluminum, lead and zinc grew from 1.23 million tons in 1982 to 3.44 million tons in 1993.

Some 200 experts and scholars discussed topics such as China's nonferrous metal production, investment, consumption, trade and market trends at the symposium, which was co-sponsored by METAL BULLETIN magazine of Britain, the CHINA NONFERROUS METAL newspaper, and the China National Nonferrous Metal Import and Export Corporation.

Official on New Regulations on Natural Reserves

OW2011144094 Beijing XINHUA in English 1355
GMT 20 Nov 94

[FBIS Transcribed Text] Beijing, November 20 (XINHUA)—China has established 763 natural reserves over past 40 years, totally covering 66.18 million hectares and making up 6.8 percent of the country's area.

China's first collection of regulations on natural reserves was passed by the State Council on October 19, this year, and will be put into effect on December 1.

At a press conference held yesterday, Wang Yuqing, vice-director of the State Administration of Environmental Protection, described the regulations, which had been made after a 15-years-long discussion and revision, as "a landmark in the history of preserving and developing China's natural reserves."

China set up its first natural reserve at the mountainous Dinghushan region in south China's Guangdong Province as early as in 1956.

So far all the 31 provinces, municipalities and autonomous regions of the country have established natural reserves of nine types respectively for protection of forests, prairies and grass marshlands, deserts, inland marshlands and waters, seas and seacoasts, wild animals and plants, geological relics and ancient animals' fossils.

Wang said that out of the present 90 state natural reserves, 10 have been listed among key projects of the World Network of Biosphere Protection (NEBP).

He said that China's natural reserves have conducted an efficient job on bio-diversity conservation over past decades. A variety of ecosystems are well maintained and thousands of rare and endangered species protected and bred.

China's natural reserve construction focuses on not only the ecological process and course of evolution, but also the genetic variation of species, added the vice director.

He noted that the ratio of the reserve area to the country's total has surpassed the world average.

According to statistics released by the International Union of Conserving Nature (IUCN), the number of natural reserves in the world rose to 8,619 last year, covering over 792 million hectares and occupying about six percent of the world's land.

As a member state of the convention of biodiversity, China stipulated in the regulations on natural reserves

that the central and local governments should jointly finance the reserves' construction and management.

"That means the expenditures for preserving and developing natural reserves have been included in the budgets of the central and local governments," Wang said.

Major Tunnels on Beijing-Kowloon Railway Completed

OW1811132494 Beijing XINHUA in English 1301
GMT 18 Nov 94

[FBIS Transcribed Text] Nanchang, November 18 (XINHUA)—Two major tunnels on the 2,000-km plus Beijing-Kowloon Railway, a key state project still under construction, have been dug through in the last two days.

The 2,808-m-long Laoyingpang Tunnel in the south part of Jiangxi Province, reached the other end today after 18 months of painstaking efforts.

The Qingyunshan Tunnel, at the juncture of Longnan County and Dingnan County of Jiangxi, measuring 2,278 m in length, finished digging on Thursday [17 November], 80 days ahead of schedule.

Earlier this week, the second longest tunnel on the railway—the 3,679-m-long Leigongshan Tunnel—was completed.

Chen Jiazhen, an official with the railway construction headquarters, said that the completion of the major tunnels earlier than planned has made it possible to look for an end to the railway project this year.

New Restrictions on Land Use for Construction

HK1911060594 Beijing ZHONGGUO XINWEN SHE
in English 0452 GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (CNS)—The State Land Administration has recently made known new measures for land administration. The measures cover seven main items in the following.

First, utilization of land in development zones or in items under construction will be invalid so long as the items undertaken have not yet been approved. Rights to use of land will be withdrawn if items involving the use of land come to a halt or go slow.

Second, various kinds of construction which involve the use of land will be under strict control. Land for construction purpose across the country is kept at under about 4.67 million mu during this year.

Third, the practice for appraisal and approval for land will be carried out strictly. Transfer of utilization rights to state owned land has to be up to the land administration departments for appraisal and verification and then to the government for approval. Contracts for transfer of land have to be signed by the land administration department on behalf of the government, a move to curb the unauthorized release of land, release of land by

several departments as well as the grant of land appraisal and approval rights to lower level departments.

Fourth, the scope of transfer for land use will be enlarged. Except for land for Party and government offices, military use, public purpose, public charitable business and for state key enterprises, land will be supplied by means of transfer especially in the form of bidding and auction while the practice of pledged transfer will be cut down as far as possible.

Fifth, a sound land assessment system will be set up. Land which has not yet been under price assessment or has a price less than the development cost will not be allowed for transfer.

Sixth, land trading has to be put under proper control. As for items making use of land derived from the transfer practice, input into these items has to reach 20 percent of the total investment or the area in which construction has been completed has to account for 20 percent of the gross area involved so as to make the land transfer possible.

Seventh, real estate development companies have to be kept under strict administration. Those found to have fabricated asset record registered with the authorities, shown shortage of ability for development or committed tax evasion will have no access to land supply.

National Real Estate Market To Recover Soon

OW2111100094 Beijing XINHUA in English 0756
GMT 21 Nov 94

[FBIS Transcribed Text] Guangzhou, November 21 (XINHUA)—China's real estate market will recover from its slump and return to prosperity before long, according to the GUANGDONG-HONG KONG INFORMATION NEWS.

The market is presently in a slump due to a macro-regulation policy of credit tightening instituted by the central government in the second half of last year to counter inflation.

The paper said, however, that the depression would not last long as the country is maintaining its fast economic development and is focusing on a socialist market economy, which will lead to an expansion of the real estate market.

China is also picking up speed in urbanization, which remains a low level of 30 percent compared to the expected 51.3 percent world average expected by the end of the century.

Experts here predict that China will set up about 230 new cities within the century, bringing the total urban area to 41,805 square kilometers, about twice the present figure.

This means a potential demand of over five billion square meters of floor space for commercial, household or other building use.

According to the paper, those who are spending more money in this area have 1,500 billion yuan deposited in banks, a large part which will be invested in real estate as a practical way of overcoming inflation.

The country still has eight million households living in cramped dwellings. To attain the goal of a per capita average of eight square meters of apartment space means the construction of at least 150 million square meters of floor space annually.

However, in the 1991-92 period, the country built only 250 million square meters of building space.

The demand for offices and stores is spurring as the government loosens up its policy concerning establishing businesses and adopting a market system.

The price of building is lower than that of apartments in Beijing, Shanghai and Guangzhou, capital of south China's Guangdong Province.

The central government, recognizing the influence of the real estate industry in national economic development, is planning to expand the role of the industry in the gross domestic product from the present 2.7 percent to 5.5 percent before the end of the century. This figure is still much lower than that of the developed countries, where it is usually between 25 and 30 percent.

The opportunities promised by China's real estate market have attracted a large amount of foreign capital. Last year, the country took in 27 billion in U.S. dollars, a considerable amount of which went into the market.

A number of consortiums have invested big funds in transforming old buildings and constructing more apartments in Beijing, Shanghai, Guangzhou and other big cities.

Li Peng Writes on Agricultural Development

HK2011075494 Beijing RENMIN RIBAO in Chinese
13 Nov 94 p 2

[Article by Li Peng (2621 7720), written in Beijing in March 1994: "Develop High-Yield, Quality, and Efficient Agriculture—Preface to Book Entitled 'Establish High-Yield, Quality, and Efficient Agriculture' compiled by Chen Junsheng and Published by China Agricultural Publication House"]

[FBIS Translated Text] Agriculture is the foundation of the national economy. Our party and government have always attached great importance to agriculture. Thanks to reform of the rural economic system, tremendous historic changes have taken place in China's agriculture and the entire rural outlook. We have attained world-acknowledged achievements, basically resolved the problem of food and clothing for the country's population of nearly 1.2 billion, and now are advancing toward a comparatively well-off level.

To meet the needs of building socialist modernized agriculture with Chinese characteristics, while continuously attaching importance to output, agricultural development, in light of China's national conditions, should be shifted to the track of giving equal attention to high yield and quality, and increasing efficiency. This is a great strategic turning point in the history of China's agriculture. The State Council has made a decision on developing high-yield, quality, and efficient agriculture, and has set out a series of policies and measures for strengthening and developing China's agriculture and rural economy. To further implement the spirit of the decision, the State Council sponsored and invited noted experts and scholars from relevant departments to compile this large, special book "On Building High-Yield, Quality, and Efficient Agriculture." Focused on the theme of building high-yield, quality, and efficient agriculture, the book puts forward many countermeasures and proposals from different angles and from an overall point of view, which have a strong theoretical, scientific, and practical nature. The compilation and publication of the book inevitably will provide an impetus to the building of high-yield, quality, and efficient agriculture.

China is a large agricultural country with a population of 1.2 billion—including 900 million in the rural areas—which is the largest in the world. Hence, its agricultural situation will have a direct bearing on its economic development, social stability, and independence. Historical experience over the past 40 years or so since the founding of the PRC have proved that the agricultural situation is relatively good, the economy develops, society is stable, and the country is in easy circumstances when we reap bumper grain harvests. When the reverse is true, the economy develops at a slow pace, the people's living standards are affected, and the country is in straitened circumstances. In the world today, the economies of all countries are in the midst of sharp competition, the world's population has increased drastically, and there is an increasingly shortage of agricultural natural resources. In such an environment, whoever makes the most of all factors that can be utilized, maintains the staying power of agriculture, ensures that the people can live and work in peace and contentment, and continuously improves their living standards can gain the upper hand and initiative. Therefore, we cannot be content with the achievements attained. Instead, we should make further efforts to firmly establish the idea that agriculture is the foundation of the national economy. Under correct leadership of the CPC Central Committee with Comrade Jiang Zemin as the core, we should rely on the people of all nationalities throughout the country; make the most of China's excellent national conditions and the favorable factor of the socialist system; overcome the unfavorable factors of a large population, limited arable land, and weak foundation; and further develop agriculture. Only in this way can we triumphantly realize the grand objective of China's national economic and social development.

The fundamental guarantee for China's agricultural and rural economic development lies in upholding the party's ideological line of seeking truth from facts, and adhering to the basic line of "one center, two basic points" and to the party's principles and policies concerning rural work. The implementation of the contract responsibility system on a household basis with remuneration linked to output, and of the management system in the rural areas in which unified management is combined with separate management, is an important component part of a series of the party's principles and policies in the rural areas. Experience over a decade or so has proved that the contract responsibility system on a household basis with remuneration linked to output, and the management system in the rural areas in which unified management is combined with separate management, are in conformity with the development level of the productive forces in most of China's regions. Hence, they should be continuously stabilized and further improved. Meanwhile, it is necessary to further improve the socialized agricultural service system; run well all sorts of entities that serve agriculture; gradually expand the rural collective economy; develop economies of scale; and further increase the rural labor productivity, yields, commodity rate of farm produce, and economic efficiency.

To develop high-yield, quality, and efficient agriculture, it is necessary to do a good job in regional agricultural development in line with local conditions; attach importance to the agricultural development of the central and western regions, which have great potential; and make the most of every region. While carrying out regional development in light of China's characteristics of having a large population and limited arable land, we should try to effect a change in the concept concerning agricultural development, from merely relying on the available cultivated land and farming to paying equal attention to the available cultivated land and rational use of all land resources; to implement the all-round development of agriculture, forestry, animal husbandry, sideline occupations, and fishery; to change the concept of grain development from the development of traditional grain in the past to paying attention to traditional grain production, as well as to the development of new crops. In farming, it is necessary to gradually change the "grain—cash crops" dual structure to the "grain—cash crops—fodder" triple structure.

In farming, forestry, animal husbandry, or the aquatic products industry, it is necessary to give prominence to the expansion of fine quality products. While ensuring general market demand, we should step up readjustment of the product mix, and strive to drastically increase the proportion of fine quality and efficient products. At the same time, we should build well the various types of farm commodity production bases in line with local conditions. The practice of all localities has proved that on equal pieces of land, more products can be obtained in the commodity production bases than in the ordinary bases. Under China's national condition of having a

large population and limited arable land, increasing the unit-per-area yield is an important way to ensure the constant increase of farm produce.

Continuously increasing material input into agriculture and improving the agricultural ecological environment constitute essential guarantees for the sustained growth of agricultural production. It is necessary to step up the building of water conservancy, forestry, communications, meteorological, farm machinery, and other basic facilities; increase the proportion of input in developing high-yield, quality, and efficient agriculture; and do a good job in the standardization of farm produce and the monitoring system. We should strive to improve the conditions for agricultural production—which include soil, fertilizers, and improved varieties of seeds—and to continuously enhance the comprehensive agricultural production capacity.

To establish a socialist market economy system, we should let the market play the basic role of distributing resources under the state's macroeconomic regulation and control. Practice has proved that farm production operated without restriction generally can increase output and the proportion of fine quality goods, relatively ensure market supply, and maintain steady prices. If we fail to exercise effective macroeconomic regulation and control, it will lead to an imbalance in the farm product mix, and eventually affect agricultural development. Making the most of the domestic and international market, and gradually promoting farm produce to the market constitute the motive force for accelerating the development pace of the rural commodity economy and of high-yield, quality, and efficient agriculture. Above all, it is necessary to improve the domestic market, further reform the circulation system, organize production and processing in light of market demand, develop a system that closely links production with processing and circulation, and reduce the intermediate links so that the broad ranks of peasants can achieve greater direct economic benefit. In places where conditions permit, it is necessary to develop foreign trade of farm produce and to expand agrotechnological exchanges for the sake of increasing the staying power of agriculture.

Science and technology constitute the primary productive forces. Once mastered by the masses, they will play a tremendous role in giving impetus to production and social development. In increasing the output of farm produce, the role of science and technology account for only one-third in China, far below the level of many developed nations. To increase the output of farm produce in the future, we should rely mainly on scientific and technological progress. To boost China's agriculture and develop high-yield, quality, and efficient agriculture, it is necessary to give prominence to science and technology. We should continue to profoundly implement the strategy of relying on science and education to boost agriculture, and should bring agricultural scientific research, education, and technology popularization work

onto the track of developing high-yield, quality, and efficient agriculture as quickly as possible. While applying the fine traditional technique of intensive cultivation practiced in China for thousands of years, as well as bringing modern high technology to the development of high-yield, quality, and efficient agriculture, we should encourage scientific research units, and scientific and technological personnel to go to the frontline of agricultural production.

On the main battlefield of developing a rural commodity economy, they should help the broad ranks of peasants develop scientific farming, management, and operation. It is necessary to give full play to the role of peasant technological research organizations; vigorously develop various forms of peasant vocational and technical education; and make efforts to improve the scientific, technological, and cultural qualities of the vast numbers of peasants. Herein lies the hope for agricultural modernization.

Developing high-yield, quality, and efficient agriculture is one of the major policy decisions of the CPC Central Committee and State Council which has strategic significance. It must be implemented resolutely in agriculture and rural work. Party and government leaders at all levels should frequently show concern for and personally give guidance to agriculture and rural work, persistently take agriculture as the foundation of the national economy, and attach primary importance to agricultural development. As long as the whole party and the people throughout the country act in unison and make great efforts, we certainly will be able to boost China's high-yield, quality, and efficient agriculture, and the rural economy as a whole, and to lay a solid foundation for the building of China's agricultural modernization.

Agriculture Minister Address Commendation Meeting

OW2111034394 Beijing XINHUA Domestic Service in Chinese 1018 GMT 13 Nov 94

[By reporters Wang Yanbin (3769 6066 1755) and Liu Jian (0491 0256)]

[FBIS Translated Text] Beijing, 13 Nov (XINHUA)—A large number of village and town entrepreneurs who have matured in the vast countryside since the start of reform and opening up are now key personnel in rural economic construction and social development. At a national meeting commending village and town enterprises that opened today in Beijing, the Agriculture Ministry commended Lu Guanqiu and nine others "who rendered meritorious services for Chinese village and town enterprises," Yao Derong and 99 other "national outstanding village and town entrepreneurs," Sun Yin-huan and 889 other "national village and town entrepreneurs," and 661 "outstanding supply and marketing personnel," who had just been chosen through public appraisal. Also commended were 1,000 village and town enterprises with the best economic results in the country

and 190 advanced collectives in the supply and marketing networks of village and town enterprises.

At today's commendation meeting, Agriculture Minister Liu Jiang pointed out: Village and town entrepreneurs have made particularly historic contributions. The process of continuing development and expansion of village and town enterprises is also a process of group upon group of village and town entrepreneurs coming to the fore and maturing. Village and town entrepreneurs have appeared as a result of the development of the rural market economy under the party's policies of reform and opening up. They are outstanding representatives of the advanced rural productive forces and leaders in reforming and developing village and town enterprises.

Liu Jiang held: Our country's new situation in reform, opening up, and the modernization drive has set new and higher demands for village and town enterprises, and the historical mission for such enterprises is ever more glorious yet arduous. He placed these earnest hopes on factory directors and managers of village and town enterprises: They should strive to improve their political quality; they should adapt themselves to the new situation in the market economy, continue to acquire new knowledge, adopt new ideas, and improve their quality of leadership and decision making; they should carry forward the spirit of being bold in implementing reform and blazing new trails and overcome severe difficulties and challenges facing them; they should maintain the fine tradition of working hard and practicing economy, and under no circumstances should they seek fame and gain or ease and comfort or be ostentatious and extravagant; they should remain modest and prudent and guard against arrogance and rashness; and those who have become well-off should not forget to help those who have yet to do so, and they should try to achieve common prosperity. Liu Jiang stressed: Village and town enterprises should pay attention to observing the law and discipline, pay taxes according to regulations, operate according to the law, do a good job in ensuring production safety and environmental production, improve product and service quality, conscientiously take the overall situation into account, and strive to strengthen the building of spiritual civilization.

Liu Jiang also called on village and town enterprises in various parts of the country to contribute to the transition of rural people to a relatively comfortable life, the placement of rural surplus labor, agricultural modernization, a brisk market, the increase of state revenues, and the building of spiritual civilization.

Chen Junsheng at Agriculture Investment Meeting

HK1811121094 Beijing ZHONGGUO XINWEN SHE
in English 0926 GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (CNS)—Agreements on 16 items worth a total contracted capital of US\$241 million are signed here by China and foreign

investors today at the end of a function for economic cooperation of agricultural items.

The trade gathering was the largest of its kind in the last four decades which was attended by nearly 200 foreign businessmen from some 40 countries and regions as well as by representatives from various provinces, municipalities and autonomous regions. During the two-day function, letters of intent or contracts were signed by foreign businessmen from the United States, France, Japan, Italy and Hong Kong on such items as processing of milk products, poultry breeding, processing of vegetable, fodder and processing of instant food.

Overseas investors including the Pepsi Cola Company of the US signed contracts with the Chinese side on respective cooperation of potato production, new packaging for farm produce and computer development.

State Councillor Mr. Chen Junsheng together with ambassadors, envoys, charge d'affaires and counsellors from 28 countries and regions attended the signing ceremony.

The Minister of Agriculture Mr. Liu Jiang said during the ceremony that China would further push forward openness of agriculture to the outside world in a more precise and open way. He said he hoped to show to the outside world through the trade function that prospects for international cooperation in the agricultural sector was very promising while China's agriculture is always open to the outside world.

Agricultural Development Bank Opens

OW1911163694 Beijing XINHUA in English 1525
GMT 19 Nov 94

[FBIS Transcribed Text] Beijing, November 19 (XINHUA)—China has opened an agricultural development bank in a bid to provide a stable resource of financing for the purchase of grain and other farm products.

The bank, the third so-called policy-oriented bank set up so far this year, after the State Development Bank and Import and Export Bank, will be the sole channel to switch lendings to priority sectors for agricultural production.

Previously, loans were offered by the four state specialized banks: The Industrial and Commercial Bank, the Construction Bank, the Agricultural Bank and the Bank of China.

According to the new bank's president, Zhu Yuanliang, the business over next few years will be to provide loans for purchasing grain, cotton, edible oil, pork, sugar and other farm products as state special reserves and for the regulation, wholesale and primary processing of cereals and oils and cotton.

It will also handle discount loans and loans for comprehensive agricultural development in order to eliminate

rural poverty, and provide loans to small scale rural infrastructure construction such as afforestation and irrigation.

Capitalized at 20 billion yuan (about 2.5 billion dollars), the bank will have its credit assets and liabilities transferred from the Agricultural Bank, the Industrial and Commercial Bank and other specialized banks.

Its working capital will mainly come from the issuing of financial bonds to domestic commercial banks, money raised abroad and re-loans from the People's Bank of China in case of temporary fund shortage.

It will not, however, be involved in accepting individuals' deposits.

According to the 49-year-old president, ADBC [Agricultural Development Bank of China] will issue the first batch of bonds next year. The actual volume will be decided after the People's Bank of China establishes its credit line for 1995.

Zhu said that the bank has not worked out a plan for raising funds abroad, but at present it will mainly handle loans from the World Bank and the Asian Development Bank.

Headquartered in Beijing, the bank will set up branches at the provincial level and in cities and counties whose economies are backed mainly by agricultural production, according to Zhu, who used to be an assistant governor of the People's Bank of China.

Circular Urges Ensuring Food Supply for New Year

*OW1911143794 Beijing Central Television Program
One Network in Mandarin 1100 GMT 17 Nov 94*

[Announcer-read report; from the "National News Hookup" program]

[FBIS Translated Text] The Ministry of Agriculture recently issued a circular on increasing production of nonstaple food to ensure market supply during the coming New Year and Spring Festival season.

The circular urged rural areas of all localities to take effective measures to build up pig production bases, ensure pig supply, increase the numbers of butchered pigs, and improve pig production efficiency. The circular says: Measures should be taken to ensure that pigs are slaughtered at designated places and butchered pigs are quarantined on the spot, so people do not have to worry about eating unsanitary meat. One of the most important things to ensure vegetables production is to manage well protected vegetables production bases. Efforts also should be made to increase the supply of winter vegetables.

Traders Foresee 'Acute' Rice Shortage Next Year

*HK2011072194 Hong Kong AFP in English 0249 GMT
20 Nov 94*

[By Peter Lim]

[FBIS Transcribed Text] Shenzhen, China, Nov 20 (AFP)—Rice trader Yang Jun spent three months scouring Guangxi, Yunnan and Hunan provinces to buy Asia's main staple, but he returned emptyhanded. Yang's problem was poor timing—his travels followed a move by the government to crack down on farmers selling to private traders, in anticipation of a rice shortage. "It was a wild goose chase," Yang said, adding that his only alternative was to buy rice from a smuggler across the border with Hong Kong.

There will be an acute shortage of rice next year, he said, adding that local rice prices have already jumped from 1.20 yuan (14 US cents) to nearly 2 yuan per kilogram (2.2 pounds) in recent months despite government control of food prices. The price of rice, currently 300 U.S. dollars per tonne, is widely expected to rise sharply by mid-1995 and surpass the high of 332 U.S. dollars per tonne reached in 1993, according to sources at the Hong Kong Rice Imports and Exports Association.

Their fears were further aggravated by dwindling rice supplies elsewhere in the Asia-Pacific region. Poor harvests due to natural disasters are expected next year in Thailand and the United States, the world's top rice exporters, in Vietnam, the third biggest rice exporter, and in Australia. "In fact, buyers from China have already started placing orders to stockpile in anticipation of an imminent shortage," said one source.

Hong Kong has, in recent years, become a main rice supplier to neighbouring Guangdong province, China with the British colony's monthly re-exports from rice producers increasing by 10,000 tonnes in recent years, industry sources said. Hong Kong's rice imports rose to nearly 400,000 tonnes last year from 362,748 tonnes in 1991. "There is quite a chance it will push up the prices of rice worldwide," Thomas Chan, co-ordinator of the China Business Centre at Hong Kong Polytechnic, said. In order to control soaring food prices, which are helping to fuel inflation in China, Chan said, the Chinese government has prohibited coastal provinces, particularly Guangdong, from buying food from inland farmers. "Guangdong and Fujian will have to get their rice supplies from countries like Vietnam and Thailand, mainly through Hong Kong," he said.

Storms, floods, pests and other problems have damaged rice, wheat, soybean and maize [corn] crops this year, and the government is hoping for a bumper harvest in autumn to help offset the disastrous summer yield, which has sent produce prices soaring. Severe flooding in the summer had led the affected provinces, including Guangdong, to buy more food from inland farmers. Developers have contributed to food shortages by building on arable land. In the past three years, farmland in Guangdong has shrunk by 170,000 hectares (419,900 acres). In addition, migration from rural to urban areas, which has increased demand for urban housing, has eaten up 44,333 hectares (109,503 acres) of agricultural land, much of it in the fertile Pearl River Delta.

Vietnam, which has exported substantial amounts of rice this year to China, is reported to have suspended exports in October to conserve stocks and prevent famine in rural areas after flooding in the fertile Mekong River delta.

Chan said that at the end of the decade of fast economic development that made Guangdong the richest area in China, the province, which has a population of 65 million, was no longer self-sufficient in grain production. Food prices in China's urban areas jumped in August, with the cost of grain registering an increase of 60 percent, according to official figures.

In 1993, China produced 177 million tonnes of rice, one-third of the world's production, but it is also the world's largest consumer of rice, leaving little left over for exports. China's population of 1.2 billion is expected to swell to 1.6 billion by the turn of the century, and the government says it is working to ensure an adequate food supply. The China Daily, China's official English-language newspaper, reported last month that the nation would increase the amount of irrigated farmland by 3.3 million hectares (8.2 million acres) by 2000, making 56 percent of Chinese farmland under irrigation. The newspaper, quoting Beijing Agricultural University, said China could import up to 70 million tonnes of rice a year by 2000, if the gross domestic product grows by an annual 9.5 percent over the next six years.

China Develops Two More Rice Varieties

OW1911034094 Beijing XINHUA in English 0154
GMT 19 Nov 94

[FBIS Transcribed Text] Changsha, November 19 (XINHUA)—Two new rice varieties passed the approval of agricultural experts in Changsha city, capital of central China's Hunan Province.

Chinese scientists of the Hunan Hybrid Rice Research Institute have developed two rice varieties in a dual-purpose sterility system after a five-year-long experiment.

Scientists from the institute said that the varieties are especially valuable because they are both high-yield and fine quality strains.

With a safe and stable high yield, the new rice varieties can be used in agriculture production for a longer period because the sterility temperature is 24 below zero centigrade.

As people's living standards improve, their taste for rice is becoming more sophisticated, and their demands higher.

Scientists said that the new rice varieties not only produce a higher yield, but also taste better.

In addition, these two varieties, which are named "Xiang 125S" and "Anxiang S", will come into competition with some 20 new hybrid rice varieties developed by Chinese scientists in recent years.

Three of those varieties, "Peiai 64S" in Hunan Province, "5008S" in central China's Hubei Province, and "7001S" in east China's Anhui Province, are used widely across the country.

This success could pave the way for taking up a national program to saturate the rice areas of the country with hybrid varieties with better yields.

Scientists agreed that the yield potential of hybrid rice of these two varieties is higher than that of some high-yield varieties.

This high potential is expected to help raise the present per hectare paddy production to 8,250 kg.

East Region

Fujian City Speeds Up High-Tech Industry

OW2111032194 Beijing XINHUA in English 0249
GMT 21 Nov 94

[FBIS Transcribed Text] Fuzhou, November 21 (XINHUA)—Jinjiang city in Fujian Province is building a new high-tech industrial park.

Located in the southeast coastal area, Jinjiang is one of the ancestral homes of Overseas Chinese. It has taken the lead in the province in boosting its economy during the on-going national reforms and opening to the outside world, and is one of the country's 100 counties with strong economic development.

A local official said that the park in the central-south part of the city will be built in stages.

The first stage covers 100 hectares and requires 1.5 billion yuan in construction. It will focus on the development of electronic information, new materials, technology of combining optical machinery and electrical appliances, refined chemicals, and energy-saving and bio-engineering technology.

Experts here predicted that the construction of the new high-tech zone will help improve the city's industrial pattern, upgrade its industrial technology and boost the service trade.

Fujian Implements Economic 'Spark Program'

OW1911132194 Beijing XINHUA in English 0831
GMT 19 Nov 94

[FBIS Transcribed Text] Fuzhou, November 19 (XINHUA)—East China's Fujian Province has achieved great social and economic gains over the past few years through implementing the "spark program".

The program, worked out by the State Science and Technology Commission and put into practice in 1986, aims to use advanced but suitable technology to promote local economies, covering 24 major fields including the development of mountainous areas, aquatic production, livestock farming and the processing of farm products.

Over the past eight years the provincial government has completed a range of projects in accordance with the program, such as grain, vegetable, fruit and native produce bases.

In 1993 the province's output of edible fungus totaled 400,000 tons, with an output value topping 1.4 billion yuan.

It has built a bamboo-shoot production center, with an annual output value of 390 million yuan.

The province has also set up 25 experimental areas to raise river eels, whose annual output value now reaches

more than 100 million yuan. The eel exports of the province in the recent one and half years topped 300 million U.S. dollars-worth.

Starting in 1990, the province has paid special attention to the construction of five coastal technology-development zones.

In the Gushan "Spark" Technology Zone, for example, 58 projects in seven major industrial fields, including electronics, textiles, plastics and toys, have been built over the past few years. Its total output value last year reached 1.8 billion yuan, including 1.1 billion yuan-worth of exports.

Another big project backed by the "spark" program is the Dongshan Bay Fishing Development Zone. Some 12 projects have been carried out in the zone over the past two years, creating a substantial output value with exports hitting 10 million U.S. dollars-worth.

Jiangsu Vice Governor Addresses Conference

OW2011141094 Nanjing Jiangsu People's Radio
Network in Mandarin 2300 GMT 13 Nov 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The 15th provincial civil affairs conference, which ended in Nanjing on 13 November, set the following goals for the coming five years: to further improve work on disaster resistance and relief, on helping the poor, and on pension insurance in rural areas; to popularize the county-level pension insurance system by attaining a 50 percent coverage rate and an accumulated insurance fund of 5 billion yuan; to speed up infrastructure construction and service networks in cities and towns, raising the number of services throughout the province to 25,800; to establish a mechanism under which civil affairs funds will grow simultaneously with the national economy; to set up and perfect a service management system that integrates the state, the society, and the masses, under which disabled servicemen and family members of revolutionary martyrs and servicemen will be given special care, and whereby demobilized soldiers will be appropriately placed so that their livelihood will be slightly better than the local average; to strengthen grass-roots political power and masses' autonomous organizations; to improve the legal system; and to establish a civil affairs and social administrative management system covering both management and services as a means to intensify social administrative management according to law.

Speaking at the conference, Vice Governor Jiang Yongrong pointed out: civil affairs work under the new situation must be motivated by deepening reform so that a new management and operating system will be formulated amid reform to meet the needs of a socialist market economic system. He said: Judging from the actual conditions in Jiangsu, it is necessary to accelerate the pace of deepening reform in civil affairs work, to actively promote its socialization so that a stable social security

system will be established, to further strengthen development of neighborhood service, and to add vitality to civil affairs work through the vigorous development of a civil affairs economy. He said that as civil affairs welfare enterprises in Jiangsu currently exceed 7,000 in number with an output value close to 27 billion yuan, it is essential to strengthen management and guidance by accelerating the process of law management, through which an effective social and administrative management system will be established.

Jiang Yongrong emphasized: Making practical arrangements for people in disaster-stricken areas and poor families to get through winter shall be an important element of current civil affairs work. Various localities should get a clearer picture by conducting further investigations; should assure the availability of winter relief funds with the majority of such funds going to the extremely poor families and families in need of both clothes and food; should earnestly carry on the work of supporting the army and giving preferential treatment to families of the army men—particularly during the two major festivals, New Year's Day and the Spring Festival—to enhance work in this respect to a new level; and should facilitate the on-going winter conscription by solving problems faced by the newly recruited youths.

The meeting also commended advanced workers in the civil affairs system.

Samsung Joins Suzhou Industrial Park Consortium

OW1711164494 Beijing XINHUA in English 1448
GMT 17 Nov 94

[FBIS Transcribed Text] Singapore, November 16 (XINHUA)—The Samsung Group of South Korea formally joined the consortium spearheading the development of a modern industrial park in Suzhou, China, the Singapore-Suzhou Township Development Pte Ltd (SSTD) announced here today.

With the signing of the shareholder's agreement in Seoul today, Samsung became the first non-Singaporean and the 20th member of the SSTD consortium, which is led by Singapore's Keppel Group.

All 20 shareholders of the SSTD now have equal shareholding of 2.25 million U.S. dollars each.

Shin Cegill, president of Samsung Corporation, was the signatory for Samsung while Loh Wing Siew, managing director of Keppel Corporation Ltd, signed the agreement on behalf of the other 19 Singapore shareholders of SSTD, it said.

"The Singapore-Suzhou township is meant for international investors, not just Singaporeans and Chinese. The inclusion of members of other nationalities in SSTD will make the development a truly international one, and will certainly attract other major investors to the township,"

Loh said, adding that Mitsui and company and Mitsubishi Corporation of Japan had publicly expressed their keen interest to join SSTD.

"Besides contributing their network, expertise and financial resources, Samsung also adds prestige to SSTD. The members of the consortium are most pleased to be associated with such a big and established group like Samsung," he said.

The Singapore-Suzhou Industrial Park is located 80 kilometers west of Shanghai and will occupy 70 square kilometers when completed.

It will offer modern industrial, commercial, residential and recreational facilities to support a population of 600,000 and provide employment for 360,000 local and expatriate personnel.

According to the SSTD, total development cost for the project is estimated at 20 billion U.S. dollars.

The SSTD is undertaking the overall development of the entire project in joint venture with a Chinese consortium. It is responsible for the master planning, land preparation, infrastructure development as well as marketing to international investors who could take up plots of land in the industrial park to set up manufacturing operations or for further development.

Samsung Group, through Samsung Electronics, has committed an investment of 500 million U.S. dollars to build its own industrial complex to manufacture semiconductors and other electronic/electrical products, SSTD said.

National Wool Market Opens in Jiangsu

OW1811161994 Beijing XINHUA in English 1551
GMT 18 Nov 94

[FBIS Transcribed Text] Suzhou, November 18 (XINHUA)—A national market for wool and woollen products officially went into operation today in Kunshan city, east China's Jiangsu Province.

Located mid-way between Shanghai and Suzhou, the market covers a floor space of 78,060 square meters and it deals in wool materials, semi-finished woollen products, and woollen fabrics, mainly in the form of wholesale and spot transactions, according to market sources.

Starting with an investment of 75 million yuan (8.82 million U.S. dollars) from the Ministry of Internal Trade and the Jiangsu provincial government, the market will operate under a membership system, with the first group of members coming from supply and marketing cooperatives of China's major pasture areas, livestock companies, import and export corporations and Sino-overseas-funded businesses.

With this initial investment, the market employs computers and advanced telecommunication equipment and

accommodates support facilities including those of taxation, a public notary, commodities inspection, insurance, banking, and post and telecommunication.

Shandong Relocates Rural Surplus Laborers

OW2011025594 Beijing XINHUA in English 0239 GMT 20 Nov 94

[FBIS Transcribed Text] Jinan, November 20 (XINHUA)—Shandong, a coastal agricultural giant in east China, has effected a smooth transfer of its rural surplus labor force to other fields of endeavor.

Statistics show that more than 13 million farmers, making up 36 percent of the province's total rural workforce, are working at rural enterprises.

More than 2,300 new small towns have helped resettle nearly ten million rural people, half of them made to engage in the service industry.

Farmers along the coastal areas, which have also attracted more than 120,000 laborers from other parts, are mainly going in for ocean-related businesses, bringing an output value of over 30 billion yuan in marine industries last year.

Animal husbandry, which recorded thirty percent of the province's total agricultural output, has absorbed nearly one million members of the rural workforce.

Jinan: Coastal Defense Battery Commended

SK2011052294 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Nov 94

[FBIS Translated Text] A few days ago at a certain fort, the Jinan military region held a naming ceremony to confer the honorary title of the good second battery on the outpost of coastal defense on the second battery under a certain coastal defense regiment.

Tan Naida, deputy political commissar of the Jinan Military Region; (Shen Zhaoji), commander of the Shandong Provincial Military District; and some other leading comrades attended the ceremony.

Tan Naida read the order on conferring the honorary title of the good second battery on the outpost of coastal defense on the second battery under a certain coastal defense regiment. The order was jointly signed by Zhang Taiheng, commander of the Jinan military region; and Du Tiehuan, political commissar of the region.

The order points out: This battery is a heroic company borne during the wartime. The officers and men of this battery have consciously regarded the island as their home; taken arduousness as glory, the safeguarding of the motherland as the heaviest task, and service as their foundation; and made outstanding achievements in the construction of the battery.

The order urges that all units under the Jinan military region should conscientiously learn from this battery,

consciously inherit and carry forward the fine traditions of our party and our Army, strictly administer military affairs, narrow the relationships between officers and men, enhance unity, and ceaselessly upgrade the overall quality of the grass-roots armed forces.

Shanghai Public Data Exchange Begins Operation

OW2111032394 Beijing XINHUA in English 0202 GMT 21 Nov 94

[FBIS Transcribed Text] Shanghai, November 21 (XINHUA)—All computer terminals in China's largest city may use the information available from a national telecommunication network thanks to the opening of a local branch of a data exchange recently.

Connected to the main network of the national public data exchange, the Shanghai division will become a major part of the national "information super highway", according to telecommunications experts.

This division of the network is now widely used for data exchange, for a data index, for e-mail and fax and for language and picture transmission by computer terminals connected to the network.

The Shanghai division of the network has installed 1,000 terminals during its first phase of construction. It can be further connected to phone and telegraph lines and to digital data networks and special lines.

The network has so far been linked to all the capital cities of the provinces, to metropolises and autonomous regions and more than 400 cities across the country as well as to 37 networks in 19 overseas countries and regions.

Shanghai Establishes Laser Joint Venture

OW2111101694 Beijing XINHUA in English 0851 GMT 21 Nov 94

[FBIS Transcribed Text] Shanghai, November 21 (XINHUA)—A Shanghai-Hong Kong laser audio-visual equipment marketing agent was announced here today.

According to local officials, the Shanghai Yixian Laser Audio-Visual Equipment Center will act as an agent for marketing products from more than 50 companies from 13 countries and regions.

So far, Shanghai has 300,000 acoustics lovers and more than 200,000 fans of compact discs.

Ma Jin Kang, deputy chairman of the board of the center, said that Shanghai has great potential for doing business in acoustics. He issued a statement that his center would also open stores in Beijing, Nanjing, Hanzhou, Jinan, and Fuzhou.

Joint Ventures Begin Operation in Zhejiang's Ningbo

OW1911131694 Beijing XINHUA in English 0741
GMT 19 Nov 94

[FBIS Transcribed Text] Ningbo, November 19 (XINHUA)—In only a matter of days, a number of Sino-overseas joint ventures financed by well-known transnational companies have gone into operation in this coastal city in east China's Zhejiang Province.

A local official said that the total investment involved in the projects amounts to 1.6 billion U.S. dollars, with the average investment in each project topping 20 million U.S. dollars.

Investment in three of the projects surpasses 100 million U.S. dollars each, according to the official.

He said that the overall quality of the overseas-funded joint ventures here is on a steady rise, along with the improvement in the city's investment environment, such as in infrastructure facilities such as ports.

The official also said that the investors include giant transnationals from Thailand, Indonesia, the United States and Japan, and most of the ventures specialize in such vital industries as agriculture, energy, raw materials and finance.

According to him, foreign representatives of the joint ventures have expressed confidence in the development prospects of the ventures they have financed and plan to increase their investment here.

The city authorities maintain that the transnationals will serve as a bridge between the prospering city and the outside world.

They also vowed to intensify their efforts to get the city fully integrated into the world economy now that China has launched a market economy drive.

Joint Venture in Zhejiang's Ningbo Port Opens

OW1911144494 Beijing XINHUA in English 1432
GMT 19 Nov 94

[FBIS Transcribed Text] Ningbo, November 19 (XINHUA)—Van Ommeren Tank Terminal Ningbo Co. Ltd, the largest Sino-foreign joint venture in Ningbo Port of east China's Zhejiang Province, has officially started operation this week.

Sources from the Ningbo Port Administration said that the new company is an associate of Royal Holland Van Ommeren, which is one of the world's three largest tank terminal corporations.

The new company has been jointly established by the Ningbo Port Administration, the Zhejiang Provincial Chemical and Light Industrial Company and three foreign companies from the Netherlands, Norway and Germany. The first-phase project will cost up to 10 million U.S. dollars.

At present, the company has 15 stainless steel and carbon steel tanks for liquid chemicals, with a total storage capacity of 26,500 cu m.

The sources said that the company has adopted the latest design technology and first-class equipment, with all tanks equipped with fluid-level measurement instruments, special pumps, and special tubes. Following trial operations in June this year, the tanks have safely stored various chemicals including benzene products, ketone products and alcohol products.

International Bio-Tech Area Develops in Zhejiang

OW1911132094 Beijing XINHUA in English 0905
GMT 19 Nov 94

[FBIS Transcribed Text] Hangzhou, November 19 (XINHUA)—China's first international biological science and technology town has taken shape in Xiaoshan City, in east China's Zhejiang Province.

Construction of road, water and power-supply facilities, telecommunications and other infrastructural necessities have been completed in the 70-ha town, according to a local official.

He said that accommodation with a total floor space of more than 20,000 sq m has been put into use, and three biological projects have already been launched in the town.

Experts said that China's research into biological engineering, a new subject believed to have great development potential, is keeping up with the worldwide trends, adding that China leads the world in some study areas.

But the development of China's bio-engineering industry lags behind that of the advanced countries by about ten years, they said.

The town, to be completed by the year 2010 at a cost of 500 million U.S. dollars, is China's largest biotechnology research center as well as its largest bio-tech industrial base, the local official said.

Once completed, the town is expected to be able to earn about 12 billion yuan (about 1.38 billion U.S. dollars) a year.

About 20 km from this provincial capital, the town falls within the relatively developed east China economic sphere led by Shanghai, the country's largest industrial metropolis.

Town planners agree that it enjoys an ideal geographical environment and a benign climate—both necessary for developing biological technology.

They also envisage building cooperative scientific and research ties with the Shanghai-based national life science center.

Official sources said that China's bio-technology efforts are mainly focussed on the health care, agriculture, environmental protection, pharmaceuticals chemicals and electronics industries.

They said that they hoped that the establishment of the town will concentrate talent and funds, and accelerate the development of bio-technology and its related industry in China.

Zhejiang To Execute Man for Stock Exchange Fraud

OW1911020894 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 11 Nov 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The Ningbo City Intermediate Court recently passed down a verdict at the first instance on (Du Yiqiang) who was involved in a major case of embezzling public funds. Culprit (Du Yiqiang) was sentenced to death with two years' stay and was deprived of the political right for life.

(Du), 21, was a liquidation deliverer of the Ningbo Stock Company's Zhenhai office. Between 25 October 1993 and 1 April 1994, he took advantage of his job and set up shareholder and capital accounts under his relatives' names in violation of the regulation prohibiting stock company employees from taking part in stock transactions. He diverted 1.75 million yuan from the office and shareholders in making personal profits from stock dealings, causing some 218,000 yuan in losses to the office. After the case was brought to light, (Du) surrendered himself to authorities. It is understood that this is the first major economic criminal case related to stock transactions in Ningbo.

Central-South Region

Guangdong Secretary on Work in Mountain Areas

HK2111121394 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 16 Nov 94

[FBIS Translated Text] The three-day ninth provincial work conference on economic development in mountainous areas concluded this afternoon in Guangzhou. Xie Fei, member of the CPC Central Political Bureau and secretary of the provincial party committee, gave an important speech at the meeting. The meeting was presided over by provincial Governor Zhu Senlin.

In his speech, Xie Fei stressed: Guangdong's agriculture must be developed along the course of the three highs [high output, high yield, and high returns], and the authorities concerned must carefully organize this strategic shift and strive to achieve this strategic objective. After enumerating the advantages of this province's three-highs agriculture, Xie Fei particularly pointed out

that along with the development of secondary and tertiary industries in the developed coastal areas, the mountainous areas will become the main places for developing three-highs agriculture in this province.

When talking about how to develop three-highs agriculture in mountainous areas, Xie Fei pointed out that it was necessary to give full play to the role of scientific and technological progress in promoting economic development, the distribution of crops and production bases should be properly arranged, production should be diversified in a well-coordinated way, a perfect service system should be developed to support production, and an industry to process farm products should also be developed. At the same time, it is necessary to develop education, enhance the quality of laborers, improve transportation conditions and irrigation work, and gather financial resources. Xie Fei said that he believed three-highs agriculture in Guangdong would certainly make major progress and move onto a new stage in a few years.

Responsible officials from the provincial state tax bureau and the provincial financial department also gave speeches. Those attending this afternoon's concluding meeting included provincial leaders Zhang Guoying, Wang Zongchun, Fu Rui, Lu Ruihua, Lu Zhonghe, Ou Guangyuan, Ouyang De, Liu Weiming, Li Lanfang, and Li Jinpei.

Guangdong Holds Meeting on Checking Consumption

HK2111121494 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 16 Nov 94

[FBIS Translated Text] The Guangdong provincial government held a telephone conference on the afternoon of 15 November to relay the spirit of the national telephone conference on strictly controlling excessive increases in consumption funds and tightening cash management. Governor Zhu Senlin of Guangdong Province presided over the meeting and gave an important speech. Vice Governor Lu Ruihua relayed the spirit of the State Council's telephone conference and came up with the Guangdong provincial government's opinion on implementing the State Council's instruction.

At the meeting, Governor Zhu Senlin made a comprehensive analysis of the economic situation in the province this year. He required all cities and all provincial departments to clearly understand their own responsibilities, adopt implementation measures, and resolutely put into practice the State Council's decision on tightening up control over the excessive increase in consumption fund and tightening cash management. He pointed out: The provincial government will soon dispatch inspection groups to all localities. All local governments should cooperate with the inspection groups and take corrective action as soon as problems are discovered.

After relaying the spirit of the State Council's relevant conference and making concrete arrangements for implementing the State Council's instructions, Vice Governor

Lu Ruihua pointed out that all cities and all provincial departments must strictly control financial expenditure, manage various funds more effectively, plan inputs of funds more effectively, and manage cash more effectively. It is also necessary to effectively collect taxes and manage tax revenues, strictly control the overall credit scale, and reduce the scale of real estate investment.

Guangdong Releases Statistics on Economic Crime

HK2111120894 Beijing ZHONGGUO XINWEN SHE in English 0808 GMT 21 Nov 94

[FBIS Transcribed Text] Guangzhou, November 21 (CNS)—Departments of administration over industry and commerce at various levels in Guangdong Province foiled and dealt with over 3,500 cases of economic malpractice in the third quarter of this year. The amount of fines and confiscated money reached RMB 36.6 million [renminbi].

According to statistics, of the above cases, 17 percent were of economic speculation and the rest were cases violating economic laws and regulations. These kinds of irregularities and crimes foiled in the third quarter of this year in the province increased by 79 percent over the same period of last year, and such a high growth was hardly seen in the past several years.

Statistics also showed that most of such economic malpractice and crimes in the province were committed in the province's eastern coastal areas such as cities of Chaozhou and Shantou and counties of Haifeng and Lufeng. In addition, cigarette-smuggling cases there grew sharply. In the third quarter of this year alone, the province totally captured 250,000 cartons of smuggled cigarettes, involving RMB 20 million.

Another phenomenon was that some illegal businessmen in Hong Kong and Macao dumped their products to the Mainland in order to shift the losses they made on to the Mainland. Some three cases of this kind have so far been dealt with in the province this year.

Guangzhou Begins 'Second Industrial Revolution'

OW1911132394 Beijing XINHUA in English 0805 GMT 19 Nov 94

[FBIS Transcribed Text] Guangzhou, November 19 (XINHUA)—Dongguan City, one of the most dynamic export-oriented centers in south China's Guangdong Province, is pushing ahead with its "second industrial revolution" on the basis of sustained high-speed economic growth.

The "first industrial revolution", as it is described by local residents, turned this small farming village into an industrialized city.

So far, the industrial output value of Dongguan makes up 90 percent of its total agricultural and industrial

value. The city yielded 18 billion yuan in output value from industry last year, 33 times the 1978 figure.

However, city mayor Li Jinwei said the mainstay sectors of the local industry are still labor-intensive and suffer from low profitability.

The city should shift its emphasis to management improvement and introduction of up-to-date technology, said Li, who is also secretary of the municipal committee of the Communist Party of China.

It is imperative for the city to start a "new industrial revolution", in which labor-intensive industry will be replaced by technology-intensive industry, the quantity-centered economy will be replaced by a quality-centered one, and new and high technology will become the pillar of the local economy.

The key to pushing forward the "second industrial revolution" is to draw up an industrial policy with the aim of encouraging the development of science and technology, the mayor said.

Competent technicians and specialists will be introduced from other parts of the country and given higher pay and better living conditions, Li said.

To encourage the development of high-tech industry, the city government has adopted a number of preferential policies such as lowering the price for buying land-use right, in order to attract more foreign investments, he said.

But, whether overseas investors are willing to pour funds into the city or not depends upon the building of a clean government, the mayor said.

He promised to crack down on corruption and bureaucracy, improve investment climate and raise work efficiency.

The city plans to build an international sales network and fund-raising channels, coordinate the listing of local star enterprises on overseas stock exchanges and attract transnational corporations, in an effort to increase exports and seek more foreign investment, he said.

Rich Townships Spring Up in Guangdong

OW2111085694 Beijing XINHUA in English 0748 GMT 21 Nov 94

[FBIS Transcribed Text] Guangzhou, November 21 (XINHUA)—A large number of rich townships have mushroomed across south China's Guangdong Province, playing an important role in promoting fast development of rural economy.

According to official statistics, there were 718 townships whose gross domestic product (GDP) exceeding 100 million yuan by the end of last year. They accounted for 43.7 percent of the province's total number of townships.

The rural GDP of seven of the townships each even went over two billion yuan.

Local officials said that the positioning of these rich townships is comparatively good, as they are no longer concentrated in the Zhujiang (Pearl River) river delta.

At present, one quarter of the province's mountainous townships reach 100 million yuan in GDP each.

The officials explained that the rich townships shared the same experience of having guaranteed a coordinated overall development of agriculture, industry and service trades in their locales.

While vigorously developing rural industry, many townships have also made great efforts to develop "high quality, high output, high efficiency" agriculture, which has provided a stable base for farming.

Rich townships have invested large sums of money in improving basic facilities and in promoting urbanization of rural areas and the development of service trades.

There are 85 towns for every 10,000 sq km area in the Pearl River delta area, replete with markets for money, information, personnel and technology.

Shenzhen Cracks Down on Copyright Violations

HK2111092794 Beijing ZHONGGUO XINWEN SHE
in Chinese 1219 GMT 17 Nov 94

[By Xue Donghe (5641 2639 0735)]

[FBIS Translated Text] Shenzhen, 17 Nov (ZHONGGUO XINWEN SHE)—Shenzhen Customs has announced that since the PRC General Administration of Customs proclaimed on 1 September 1994 that intellectual property rights [IPR] are to be protected and that goods infringing on IPR will be forbidden from being exported, four cases involving the infringement of intellectual property rights have been uncovered by Shenzhen Customs at the Kowloon border.

It is known that on 6 September, while handling an express mail package, customs officers at the Huanggang border crossing discovered six cases declared to be "information booklets" which were in fact pirated compact discs [CD], totalling 4,750 units. The sender, a Mr. Li, stated that he lived in the Shiqiao district of Panyu City in Guangdong Province. The counterfeit CD's were destined for Canada.

On 1 November, customs at Man Kam To border crossing discovered 8,000 counterfeit CD's with a truck driver surnamed Li who worked for a Hong Kong transport company.

In early October, a company in Shenzhen declared to customs at Huanggang border crossing that it was exporting a batch of "Shankala" brand gastric tablets to Hong Kong. Customs demanded additional information on the actual property rights situation of these goods. As

the owner could not supply evidence to show that he had a legal right to use the stated trademark, the goods were returned to him.

On 3 November, a packaging company declared to customs at the Shekou checkpoint that it was exporting 200-odd crates of canned lychees in syrup with a total value of \$20,000 [currency not specified]. On opening the crates for inspection, customs officers discovered that the company had faked the labels on the cans to pose as the well-known "Xiangshan" brand of the China National Cereals, Oils, and Foodstuffs Import and Export Corporation.

The above case is still being investigated.

Shenzhen Factory Fire Verdict Still Undecided

HK1911053494 Hong Kong SOUTH CHINA
MORNING POST in English 19 Nov 94 p 2

[By Stella Lee]

[FBIS Transcribed Text] China has been accused of infringing the basic rights of two Hong Kong men charged in relation to Shenzhen's Zhili factory fire which killed 87 people a year ago today. Longgang District Court had failed to pass a verdict within the time legally allowed, according to Priscilla Leung Mei-fun, lawyer for Lo Chiu-chuen, the factory's Hong Kong representative. "It is an infringement of their basic rights," she said.

The trial of Lo and an other Hong Kong worker took place on August 11 and 12. Under China's criminal procedural law, the court has to pass a verdict within a month of the trial, or extend it by no more than two weeks. But an official at the Shenzhen Intermediate People's Court said although Longgang court had not entered a verdict it was legal. It had applied for an extension, and the length depended on the nature of the case. He did not explain the apparent conflict with the procedural law, but said it was time to pass the verdict.

A Longgang district court judge, Zhang Zuoliang, said the case was being studied and said the verdict would be passed openly. But Ms Leung said: "The indefinite detention has had a negative physical, psychological and spiritual impact on the accused." She said sources in Longgang court had said opinion was divided on the case. She called on the court to make a fair judgment. She said Mr Lo should not be found guilty, or, if he was, should be given only a light sentence. "We will appeal if Mr Lo is not released," Ms Leung said. Lo's wife, Chan Takngan, said: "All I hope is that my husband can come home. He looked so depressed when I last visited him. He kept asking me when the verdict would be out."

Lo and Hong Kong manager Leung Kin-kwok, stood trial with two mainlanders, manager Huang Guoguang and electrician Liu Guangwan. Lo was accused of ignoring fire safety while Leung was accused of recruiting an

unqualified electrician Liu. Blocked exits and sealed windows at the factory were said to be the cause of the heavy casualties in the fire.

Local trades unions will petition Xinhua (the New China News Agency) today to call for the dismissal of Shenzhen Mayor Li Youwei who they said should be held responsible for several major industrial accidents in the past year. They will also call for a fair verdict on Lo, saying he and the Longgang authorities should be held responsible for the fire, which killed 87 people and injured 51. The trades unions said that under the leadership of Mr Li, industrial accidents such as a chemical plant explosion in August 1993, the Zhili fire, and other factory blazes and building collapses had taken a heavy toll.

Guangxi Attempts To Improve Minority Officials

OW2011074894 Beijing XINHUA in English 0708
GMT 20 Nov 94

[FBIS Transcribed Text] Nanning, November 20 (XINHUA)—In the past decade, southwest China's Guangxi Zhuang Autonomous Region spared no efforts to raise general qualities of ethnic minorities officials.

Guangxi has 11 ethnic minorities with a population of 17 million, and it has paid great importance to training officials of ethnic minorities since the end of 1970s.

So far, the officials of ethnic minorities have accounted for 35 percent of the total in the region, up 121 percent over the figure for 1978.

To enhance the quality of the existing officials, the local government sent them to study in colleges and universities in the region and other parts of the country, even abroad.

Meanwhile, the local government adopted policies to encourage exchanges of officials in the region for them to gain experience and develop ability.

With all these efforts, the education backgrounds and the abilities of these officials witnessed a great improvement over the past few years.

Statistics show that two third of the 330,000 officials of ethnic minorities now have a fine education background.

Hainan Security Seizes Illegal Bugging Devices

HK2111120694 Haikou HAINAN RIBAO in Chinese 16
Nov 94 p 1

[Report by Qiong Guoan (8825 0948 1344): "Hainan State Security Organs Seize Number of Bugging Devices"]

[FBIS Translated Text] Hainan's state security organs recently found a number of bugging devices possessed and used illegally by a handful of people in Wenchang, Haikou, and Cangjiang. In accordance with the "PRC State Security Law" and the relevant implementation

stipulations, Hainan's security organs confiscated the illegally possessed and used bugging devices and punished the persons involved.

An official from the Technical Safety and Security Office under the Hainan State Security Department pointed out that eavesdropping by inhabitants constitutes illegal behavior in violation of the "State Security Law." Lawless elements can easily take advantage of the bugging devices illegally possessed and used by individuals and organizations and use them to steal state secrets for agencies and individuals outside the border. This constitutes a hidden threat to state security. Eavesdropping on economic activities disrupts normal economic order. Eavesdropping on colleagues and neighbors not only infringes upon a person's rights, but also leads to strained relations, which is disadvantageous to social stability. For the sake of maintaining state security and social stability, the state security organs are duty-bound to handle in accordance with the law cases of illegal possession and use of bugging devices by any organization or individual. We hope that the broad ranks of cadres and the masses will study and abide by the "State Security Law" and the detailed rules for implementation and will not illegally possess or use bugging devices. Anyone who discovers such practices should report immediately to the state security organs.

Hainan Offshore Gas Field Nears Completion

OW1911132294 Beijing XINHUA in English 0828
GMT 19 Nov 94

[FBIS Transcribed Text] Haikou, November 19 (XINHUA)—Work on China's largest offshore gas field, the Yinggehaiya 13-1 of south China's Hainan province, is drawing to the end.

Two submarine pipelines, one linking the gas field with Hong Kong and the other with Sanya City in Hainan Province, have been laid. The first gas well turned out an average of 2.2 cu cm of natural gas during its trial operation. The drilling of another two gas wells has reached 1,200 m in depth.

The gas field is a joint venture among the China National Offshore Oil Corporation (CNOOC), ARCO China Inc. of the U.S. and the Kuwait National Petroleum Corporation.

The gas field has a verified reserve of 100 billion cu cm. Investment for the exploitation of the gas field is estimated at 1.2 billion U.S. dollars.

When the gas field starts operation in January 1996, it is scheduled to provide the Hong Kong-based China Light and Power Company Ltd with 2.9 million cu cm of gas a year and 500 million cu cm of gas to Hainan.

Using the natural gas provided by the field, Hong Kong will install a three-million-kw generating unit, and Hainan will build a chemical fertilizer plant with an

annual production capacity of 300,000 tons of synthetic ammonia and 520,000 tons of urea.

Fifteen Percent of Wuhan Enterprises Face Bankruptcy

HK1711090094 Hong Kong HSIN PAO in Chinese 2 Nov 94 p 8

[Report: "Fifteen Percent of State Enterprises in Wuhan Will Go Bankrupt Next Year"]

[FBIS Translated Text] In an interview with Hong Kong reporters yesterday, Wuhan Mayor Zhao Baojiang said some 15 percent of state-owned enterprises in Wuhan will be declared bankrupt or put up for auction next year and, accordingly, about 50,000 to 60,000 laid off workers will have to be resettled. Wuhan will introduce a new social security system in January next year in support of state enterprise reform, Zhao added.

State enterprise reform has been defined as the central task of China's economic reform next year. The State Council plans to carry on pilot project work for state enterprise reform in 18 cities including Wuhan next year, so next year will be known as "state enterprise reform year."

Zhao said Wuhan has tried to help state enterprises to wade through their difficulties in five ways over the last few years.

1. State enterprises which have greater assets and are better managed were selected to experiment with the joint-stock system. There are now two listed companies in Wuhan, and Wuhan Iron and Steel Works is planning to issue B shares.
2. Foreign businessmen were allowed to "take a stake" in state enterprises to change them into joint-venture enterprises. A total of 22 state enterprises were changed into joint-venture enterprises last year.
3. State enterprises which have good economic performance were allowed to annex poorly managed state enterprises.
4. State enterprises in prime locations were moved to suburban areas and the prime locations were then leased out to provide funds for the development of state enterprises. And,
5. Enterprises which had operated at a loss for a long time were closed down.

Zhao pointed out that there are about 4,000 state enterprises in Wuhan and that 40 percent of them run in the red. Of these money-losing enterprises 15 percent have run deficits for a long time. These failing enterprises will be declared bankrupt in batches next year and about 50,000 to 60,000 laid off workers will have to be resettled.

To support the city-wide state enterprise reform and resettle unemployed workers in an effective way, Wuhan

will introduce a new social security system which has been created by Shanghai and Ningpo.

An old-age security system was introduced in over 95 percent of Wuhan's state enterprises in 1986 but the biggest defect of the system is that the enterprise does not provide sufficient insurance money. Under the new social security system, workers' individual accounts will link up with money raised in society under an overall plan and workers will be allowed to find out at any time whether the enterprise has paid retirement insurance money. Under the new system, workers are required to provide 3 percent of their salaries for the retirement insurance money. Zhao said the Wuhan government will set up a social security bureau to monitor the operation.

In addition, to curb an inflation which was still running at 28 percent in September, the Wuhan government has decided to sell low-price rice without limitation. Wuhan citizens consume 1.2 billion jin of grain each year and the government has stored 700 million jin.

Also, the government recently put cooking oil, eggs, and other daily necessities on ration in a bid to lower the inflation rate to 19 percent by the end of the year, Zhao added.

New Hunan Policies To Speed Small Town Building

OW2111033094 Beijing XINHUA in English 0256 GMT 21 Nov 94

[FBIS Transcribed Text] Changsha, November 21 (XINHUA)—Central China's Hunan Province has published a series of policies in a bid to encourage the building of more small towns.

Local officials said the move was also aimed at promoting development of the social economy in rural areas of Hunan, a leading agricultural province.

According to the new policies published, the province will approve the upgrading of rural townships with sound conditions to towns so as to foster more inter-regional centers of the economy, culture and administration.

While adopting measures to attract more rural and township enterprises to set up around newly-established small towns, the province has also decided to earmark a certain amount of money for the construction of basic facilities in these small towns beginning this year.

In the meantime, the province will also open up construction of public facilities in newly-established towns and institute the paid use of these facilities to encourage more investment in basic facilities.

Newly-established towns will be allowed to keep earnings from the paid use of land and most of the taxes earned from land use in order to cover money needed in the construction of basic facilities in their locales.

More Ethnic Groups Shake Off Poverty in Hunan

OW1811152394 Beijing XINHUA in English 1518
GMT 18 Nov 94

[FBIS Transcribed Text] Changsha, November 18 (XINHUA)--More and more ethnic groups in central China's Hunan Province have shaken off poverty thanks to ten-year-long efforts.

Recent statistics show that some 1.06 million people out of 1.56 million people from ethnic groups living under the poverty line now have a decent basic life in the Xiangxi (western Hunan) Tujia and Miao Autonomous Prefecture which has a population of more than 2.4 million people, a large proportion of whom live deep in the mountainous areas.

Of the total population of the prefecture, people of ethnic groups account for 70 percent while the Han make up 30 percent.

The central and provincial governments launched a campaign to help poverty-stricken people in rural areas in 1984. About 120 million yuan (14 million U.S. dollars) have poured into the campaign since then, resulting in a big change in people's basic living conditions in poor rural or mountainous areas.

The prefecture was listed among the 18 key poverty-stricken areas by the State Council in 1986.

The local government has invested more than 400 million yuan (45 million U.S. dollars) for development of agriculture and natural resources, and decided to shift its focus to helping groups in the remote hilly areas develop their economy, according to Xiang Shilin, governor of the prefecture.

By the end of this century, all the poor counties in the prefecture will hit the targets set by the campaign to get rid of poverty, Xiang said, with the annual average per-capita income in the poor rural areas reaching 500 yuan.

Southwest Region

Guizhou Secretary Urges Further Reform

HK1811103094 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 14 Nov 94

[FBIS Translated Text] The provincial summing-up meeting on mass discussion on ideological emancipation opened in Guiyang yesterday and was presided over by Governor Chen Shineng. Provincial Party Deputy Secretary Wang Siqi summarized the conduct of the province's mass discussion on ideological emancipation. Provincial Party Secretary Liu Fangren delivered a speech at the meeting.

Wang Siqi said: The mass discussion on ideological emancipation, with ideological emancipation, the

enhancement of fighting spirit, hard work, and accelerated development as the theme, has gone on for eight months. The current discussion has from beginning to end won the enthusiastic support and active participation of the broad masses of party members and people in enterprises and schools and in urban and rural areas throughout the province. It has thus developed in an extensive, intensive, orderly, and healthy way and has achieved marked results. The current mass discussion has helped promote changes in the people's ideological concepts and has enhanced their sense of urgency to accelerate development. On the basis of deepening their understanding of provincial and local conditions, localities and departments further found where they lagged behind, had clear thoughts on development, and adopted new effective measures to accelerate development. At the same time, the mass discussion has also helped change the functions of offices and the role of cadres, further arouse their enthusiasm for serving reform and opening up and economic construction, and give impetus to the completion of work in various fields for this year, thus heightening the people's fighting spirit. Wang Siqi hoped that all localities and departments would do an earnest job of transforming the phased results of the mass discussion of ideological emancipation, turn the good thoughts on development aired in the course of discussion into feasible and effective plans, policies, and principles through thorough research and scientific verification and ultimately turn them into new productive forces so as to yield positive results.

Provincial leaders Wang Chaowen, Long Zhiyi, Wang Guangxian, Yuan Ronggui, Wang Shouting, Huang Yao, and Yu Zhonggui and veteran cadres who once held the posts of party deputy secretary and vice chairmen of the provincial advisory commission or above attended the summing-up meeting. Also present were principal party and government leading cadres of various prefectures, autonomous prefectures, and cities, leading cadres at the posts of the deputy director or above of the commissions, offices, departments, and bureaus directly under the provincial government, leading cadres of institutions of higher education and mass organizations; and leading comrades of some large and medium-sized enterprises.

Liu Fangren said: To open up wider to the outside world and promote the comprehensive development of the province's various undertakings and the improvement of the overall quality and comprehensive strength of its national economy at present and for some time to come, we should concentrate efforts on doing a good job of the work in the nine following areas:

1. Vigorously attract and absorb foreign investment, open major projects to big foreign investors, and strive to seek some major financial groups and transnational corporations of substantial strength to cooperate with our province. The province should sponsor large-scale foreign investment-attracting activities in an appropriate location next year.

2. Transform old enterprises in a planned way. The relevant provincial departments should make thorough studies and come up with feasible and effective concrete plans.

3. Further strengthen foreign economic and trade work and enhance its capability to earn foreign exchange by exporting more goods so that it will better known in the international community and be in a better position to absorb foreign investment.

4. Actively develop export services, expand employment avenues, and increase the people's income.

5. Vigorously develop the international tourism industry and strive to increase comprehensive income in foreign exchange through its development.

6. Strive to do a good job of the construction of development zones so that they will become favorable places of foreign investment as quickly as possible and the province's window and center for opening up to the outside world.

7. Make great efforts to invigorate trade with the surrounding neighbors so as to bring along the development of other hinterland areas.

8. Speed up the pace of the construction of Guiyang as a modern hinterland open city so that it will serve the province in the course of opening up.

9. Intensify propaganda on opening up to the outside world so that more foreign businessmen will have a better understanding of Guizhou and greater determination and confidence in making investments in the province.

Liu Fangren said: The provincial party committee and government have decided: The province will implement an opening up-generated development strategy next year and for a period of time to come, will elevate the expansion of opening up to the outside world to the strategic height of invigorating Guizhou, will put it in a prominent place of the province's economic work, and will mobilize and organize the broad masses of party members and people of all nationalities in the province to wage an overall battle of opening up wider to the outside world. The provincial party committee and government are already prepared to make a resolution on opening wider to the outside world.

Guiyang Meeting on People's Congress Work

HK1811054794 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 13 Nov 94

[FBIS Translated Excerpt] A four-day provincial meeting on the work concerning the People's Congress ended in Guiyang yesterday after satisfactorily fulfilling all the topics on the agenda. Provincial CPC Secretary Liu Fangren presided over the meeting. At the meeting, provincial Deputy Secretary and Governor Chen Shineng made a speech entitled "Consciously Accepting the

People's Congress Supervision, Lawfully Performing Government Duties, and Promoting the Province's Reform, Development, and Stability."

Chen Shineng said: The government's conscious acceptance of the People's Congress supervision and its initiative in soliciting the People's Congress support and assistance are a fundamental guarantee for the fulfillment of government work. A review of the situation since the Third Plenary Session of the 11th CPC Central Committee suggests that every step forward in provincial government work cannot be separated from the People's Congress supervision, assistance, and support; and achievements in local construction are the crystallization of the efforts of people's congresses at all levels, their standing committees, and the People's Congress deputies. All levels of governments in the province must further strengthen their mentality of consciously accepting the People's Congress supervision and perform their tasks better under the People's Congress supervision, support, and assistance. [passage omitted]

Chen Shineng continued: Now the province is developing the economy and deepening reform, its society remains stable, and various nationalities are united. As long as we adhere to the party's basic line and bring cadres' and masses' initiative into full play and constantly improve government work under the leadership of the Central Committee and the provincial party committee with the People's Congress supervision and assistance, we will definitely be able to lead the people of all nationalities throughout the province in fulfilling the province's economic and social development targets. [passage omitted]

Sichuan's Exports Continue To Grow

O:1811042094 Beijing XINHUA in English 0331
GMT 18 Nov 94

[FBIS Transcribed Text] Chengdu, November 18 (XINHUA)—Southwest China's Sichuan Province has been enjoying export growth for 13 years running, thanks to the adoption of correct strategies for developing foreign trade.

According to local officials, the exports of the province from January to early November increased at a rate higher than the national average, to reach 1.88 billion U.S. dollars-worth, up 42 percent compared with the figure for the same period of last year.

The officials said that they had overfulfilled this year's export quota more than one month ahead of time.

While fostering more key export enterprise groups to lead even more local enterprises into the world market, the province has adopted preferential policies to encourage different localities to increase exports.

In the meantime, the province has made efforts to set up more export-oriented foreign-funded enterprises. At present, the province has 3,000 foreign-funded enterprises.

Local state- and collectively-owned enterprises are encouraged to produce goods for export, and rural and township enterprises are also encouraged to develop the export-oriented economy.

Beginning this year, the province has concentrated funds on the development of high-tech products, machinery and electrical products, and deep processing of farm produce. These are sectors which prove to have great market potential overseas.

Tibet Commends 'Patriotic, Law-Abiding' Temples

OW1811122694 Lhasa Tibet Television Network in Mandarin 1200 GMT 10 Nov 94

[From the "Regional News Hookup" program]

[FBIS Translated Excerpt] A regional commendation meeting for patriotic, law-abiding advanced temples and monasteries and their clergy was held at the Tibet Hall of People in Lhasa on 10 November.

Present at the meeting were Pagbalha Geleg Namgyai, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] and chairman of the Autonomous Regional CPPCC Committee; Guo Jinlong and Danzim, deputy secretaries of the Autonomous Regional CPC Committee; Samding Doje Pamo Deqinuzhen and Yongzhonggawa, vice chairmen of the Autonomous Regional People's Congress Standing Committee; Luosang Danzeng, vice chairman of the Autonomous Regional CPPCC Committee and head of the United Front Work Department of the Autonomous Regional CPC Committee; Yaoxi Wangdui and Qiazha Qiangbachilie, vice chairmen of the Autonomous Regional CPPCC Committee; and (Bumi Qiangbaluozuo), chairman of the Tibetan Branch of the Buddhist Association of China. Yang Tongxiang, deputy director of the Bureau of Religious Affairs of the State Council, made a special trip to Lhasa to attend the meeting.

Yang Chuantang, member of the Standing Committee of the Autonomous Regional CPC Committee and executive vice chairman of the Autonomous Regional People's Government, presided over the meeting. Gyamco, executive vice chairman of the Autonomous Regional People's Government, spoke. [passage omitted]

He said: Over the years, the broad ranks of patriots in religious circles have worked with one heart and one mind with the CPC, treating each other with all sincerity and sharing weal and woe. They have withstood rigorous tests. Particularly in the struggle against splittism, the overwhelming majority of the region's religious circles have put the interests of the motherland and the nation above all else and stood firmly on the side of the people. Enthusiastically responding to the call of the government, they have struggled firmly against splittist forces and made positive contributions to safeguarding the unity of the motherland and social stability. [passage omitted]

Fiber-Optic Cable To Link Tibet With Qinghai

OW2011162894 Beijing XINHUA in English 1508 GMT 20 Nov 94

[FBIS Transcribed Text] Lhasa, November 20 (XINHUA)—After a field exploring [field study], a group of telecommunications experts have come to the conclusion that the setting up of a fibre-optic cable between Qinghai Province and Tibet Autonomous Region is feasible.

According to designs, the cable will be about 2,000 km, connecting Xining City, capital of Qinghai, and Lhasa, capital city of Tibet.

The experts say the optical cable will greatly upgrade the quality and capacity of telecommunications between the two cities, and it will also be very helpful in boosting the economy of Tibet, which has lagged behind economically due to inadequate telecommunications exchanges with the outside world.

The construction of the cable is organized by the Ministry of Posts and Telecommunications with loans from the World Bank.

Yunnan Governor Sets Reform Requirements

HK1811085094 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 12 Nov 94

[FBIS Translated Excerpt] Yesterday the provincial government held the 10th executive meeting to review a reform program for government institutions. After conscientious discussions, the meeting in principle ratified the institutional reform program, which includes the designation of functions, internal organizations, and establishment sizes.

The meeting pointed out: This provisional institutional reform program corresponds with the needs of the socialist market economic structure, the transformation of government functions, the rationalization of relations between departments, and streamlining administration. It helps consolidate functional departments' responsibilities, conforms with the central authorities' overall demand on institutional reform. Through this reform, institutions directly under the provincial government will be reduced from 62 to 54, government departments and sections will be reduced by 25.5 percent, and the number of personnel by 23.2 percent. Professional and economic departments will have a large percentage of reduction.

Governor He Zhiqiang presided over the meeting and expressed his views on the province's future institutional reform.

1. The government and its subordinate institutions must transform their mentalities and continue to transform their functions. On the relations between the government and enterprises, government administration must be separated from enterprise management. [passage omitted]

2. To meet the demands of the institutional reform program and the establishment of the socialist market economic structure, all departments must promptly designate their duties and responsibilities in light of the province's specific conditions.

3. Comprehensive functional departments must fully display their role in macroeconomic control and regulation. [passage omitted]

4. The implementation of the institutional reform program must be organically integrated with the establishment of the civil service system. [passage omitted] Efforts must be made to establish the civil service system in three years.

5. All kinds of methods must be adopted for proper distribution of surplus personnel resulting from institutional reform.

6. Logistics work of government institutions must be reformed in such a way that precise and highly efficient logistics work methods can be formulated.

7. Coordinating reforms must be introduced, particularly the one that ensures the implementation of rules and regulations. It is imperative to establish the social insurance system. Provincial-level institutions must start establishing this system in 1995.

8. Institutional reform must be carried out well.

9. All administrative departments must enter the orbit of exercising administration according to law, cultivate the concept of exercising administration according to law, and constantly improve the relevant rules and regulations. [passage omitted]

10. The instructions of the Fourth Plenary Session of the 14th CPC Central Committee must be followed in further strengthening leadership over institutional reform. [passage omitted]

UNIDO Director General Attends Yunnan Fair

HK1811055194 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 15 Nov 94

[FBIS Translated Text] In the Kunming Hotel last night, Governor He Zhiqiang met (Kanpus), director general of the UN Industrial Development Organization [UNIDO], and his entourage. Director General (Kanpus) has come to Kunming to attend China's First Southwest Investment Bid Fair. During the meeting, Governor He Zhiqiang welcomed (Kanpus) and his entourage.

He Zhiqiang said: UNIDO has played an important role in promoting industrial development in developing nations. We are very happy that UNIDO has listed China's southwest investment bidding on its work agenda. Yunnan has great potential for development. In the last 10 years of reform and opening up, its environment for introducing foreign capital has much improved. UNIDO's efforts to encourage foreign investments in

southwest China will play an important role in promoting Yunnan's economic development. Yunnan Province will coordinate well with UNIDO. I believe both sides' cooperation will produce good results.

Director General (Kanpus) provided Governor He Zhiqiang with detailed information on UNIDO, saying: I am quite concerned about China's development. China's rapid economic growth has made a deep impression on me. The current Investment Bid Fair in Yunnan will help improve Yunnan's image and build southwest China's image in the world. I hope this fair will be successful so as to lay a foundation for further cooperation in the future.

Director General (Kanpus) arrived in Kunming at noon yesterday. Vice Governor Liu Jin as well as people in charge of the provincial Foreign Affairs Office and the provincial Office of Foreign Trade and Economic Cooperation went to the airport to welcome him.

The director general granted an interview to reporters at the airport. He said that this was his first visit to Kunming. He indicated that southwest China, which is rich in natural resources, is quite prospective in introducing foreign capital, human resources, and technology. He related: This time 106 foreign businessmen representing 450 enterprises have come to attend the fair. UNIDO will, through this investment bid fair, try to display southwest China's industrial development prospects, apart from recommending its rich tourism resources.

North Region

Hong Kong Disc Jockey on Beijing Program's Success

HK2011073094 Hong Kong SUNDAY HONGKONG STANDARD in English 20 Nov 94 p 4

[By Michael Wong]

[FBIS Transcribed Text] The media in China enjoys as much freedom of speech as their Hong Kong counterparts as long as journalists do not talk about politics. That's the claim of Beijing disc jockey George Hai.

Hai, 25, who is the sole Beijing DJ from Hong Kong, has been living in the city for two years and has no problem gaining listeners from the 13 million locals. In fact, Hai's radio program, Eye On Hong Kong, aired on Beijing Music Radio (BMR), is ranked fifth in the ratings.

He attributes his success to his knowledge of how to survive under mainland rule. "I try to avoid allowing too many telephone calls on air for listeners to ring in because of the possible trouble that comes with them," he said. Hai said such trouble was usually political. For example, he would not let callers dedicate songs that are banned, or dedicate songs to political dissidents, or talk about the political movement of June 1989. "These are all very sensitive issues," he said, adding that to tolerate

callers who mention sensitive topics could cost him his job. "We don't want to relate the program to politics." "Trouble phone calls" are cut off whenever he feels the caller is going to say something inappropriate. The sanction is common in Hong Kong too, but maybe not specifically for political reasons, Hai said.

"I think a lot of news stories in Hong Kong are too entertainment oriented and often ignore the actual news value," Hai said. For example, he said that newspapers in Hong Kong would follow up on what happened to the student leaders in the 1989 democracy movement.

Unlike Hong Kong, since all newspaper, radio stations and television networks in China are owned and controlled by the state, the content in news is relatively easier to control, he said, adding that because of the fear that TV and radio news anchors would "say the wrong thing", all news bulletins are pre-recorded. The precaution is to make sure no sensitive issues are aired, Hai said. "We even had sex education programs on radio years before Hong Kong started broadcasting them."

But he said criticising various government projects in China is not as common as in Hong Kong. "Hong Kong people have the right to criticise their government because they pay the government for what it does."

Hai said his success is not only because of his "no politics" stance, but also due to a new trend in radio broadcasting started by the government. "BMR, currently rated the No. 1 radio channel, is one of the many relatively liberal channels in Beijing," he said. Among the new channels are Tianjian Music Radio and Shanghai Music Radio. Hai said he plays mainly Cantopop, and Taiwanese and Beijing pop music on air. Once in a while he invites famous singers and movie stars as program guests. The conversation is mostly conducted in Putonghua, he said. BMR airs other programs including game shows, song dedications, the American Top 40 and classical music shows.

Unlike song dedication sections on Hong Kong radio, Beijing radio stations usually charge callers a fee for each and every song dedicated. Average price is 50 yuan (HK\$45). "This pricing policy gives those who are determined to dedicate a song a higher chance, because there would be fewer people competing for the three available phone lines," Hai said. But despite the pricing policy, the demand is still high, he said. Hai said the Beijing Telephone Authority (BTA) once reported more than 30,000 people simultaneously calling the radio station. "BTA was delighted because the radio station used a hotline number and that was a premium-toll number," he said. In Beijing each time a hotline number is dialed, an average fee of at least 10 cents is charged even when the line is busy or nobody answers.

Mr Hai said he likes living in Beijing because he has been earning a relatively good income in China which has a lower cost of living. He said Hong Kong people working in China earn a salary on average 30 per cent higher than

they could in Hong Kong. "Besides, I get free parking in Beijing because of the space available here. If anybody asked me, I tell people I prefer to migrate to Beijing, not Canada," he said.

Eye on Hong Kong is on BMR Friday 4-5 pm and Saturday 6-7 pm.

Hebei's Chengde City Appoints New Leaders

SK2011015594 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 19 Nov 94

[FBIS Translated Text] Recently, the provincial party committee decided to appoint (Liu Baoquan) as secretary of the Chengde city party committee. The 11th session of the ninth Chengde city people's congress held on 17 November decided to appoint (Fu Guiwu) as deputy mayor and acting mayor of the Chengde city people's government.

Inner Mongolia Secretary Inspects Xilin League

SK2111105294 Hohhot NEIMENGGU RIBAO in Chinese 4 Nov 94 p 1

[By reporter Li Maqin (2621 7456 2953) and correspondent Zhong He (6988 7729): "In Implementing the Guidelines of the Fourth Plenary Session of 14th CPC Central Committee, It Is Necessary To Grasp the Key Points and Seek Actual Results at All Levels and in a Planned Manner"]

[FBIS Translated Text] Liu Mingzu, secretary of the regional party committee, travelled deeply to the Xilin League to conduct investigations and studies, during which he pointed out: Studying, publicizing, and implementing the guidelines of the fourth plenary session is one of the important political tasks of the entire party at present and for some time to come, a task we must grasp in a down-to-earth manner. In the course of implementing them, all localities should proceed from reality; work out plans for all levels; grasp the key points; implement the responsibility system; seek actual results; strive to enhance the cohesion and fighting strength of party organizations at all levels; and enable them to realistically become strong leading collectives capable of leading the masses of people of various nationalities to conduct the socialist modernization drive.

From 26 October to 2 November, Liu Mingzu, secretary of the regional party committee, led responsible comrades of relevant departments to travel deeply to Xianhuang Banner, Sonid Left Banner, Sonid Right Banner, and Erenhot to conduct investigations and studies. They made on-the-spot observations in some sumu, gacha, and forage and animal-feed production bases, and went to livestock breeding households and yurts to hold talks with herdsmen and cadres of sumu and gacha to learn about their production and living conditions as well as the implementation of the fourth plenary session guidelines in the grass-roots party organizations; they also

observed some banner enterprises and held forums with some enterprise leaders to study the reform issues of enterprises.

In the course of investigation and study, Li Mingzu fully affirmed the Xilin League's work. He said: Since the 16 years of reform and opening up, great changes have taken place in the Xilin League. Comparing 1993 to 1978, the GNP of the entire league rose 2.7 times, financial revenues rose 8 times, and the average per capita income of herdsmen rose 8 times. This league has realistically attended to the work of making pastoral areas attain the level of moderate prosperity, has worked out plans and measures and set standards and demands on this work, and has appraised a number of fairly well-off peasants and herdsmen households in line with the standards. The entire league has witnessed economic development, political stability, national unity, and social progress. The league party committee and administrative office have emancipated thinking, and boldly put forward the development ideas of "introducing farming to the pastoral areas," which is in conformity with the reality of the Xilin League's pastoral areas. Liu Mingzu stated: The Xilin League is a good place. Located in the northern frontier of the motherland, it is the northern gate of the motherland, holding a very important strategic position; it has vast territory, abundant natural wealth, rich resources, and grass on the land as well as treasure underground. The herdsmen there are hardworking and simple, warmhearted and hospitable; they make me really feel that our Inner Mongolia Autonomous Region is a united and harmonious large family of various nationalities.

Through in-depth investigation and understanding, Li Mingzu pointed out: In the course of implementing the guidelines of the fourth plenary session, all localities should proceed from reality; carry out this work step by step; set different priorities in various leagues, cities, banners, counties, sumu, townships, towns, gacha, and villages; find out their real situations; formulate plans, objectives, and measures; define responsibilities; and pinpoint certain aspects. All levels should define their own priorities, firmly implement them, strive to seek actual results, and never practice formalism.

Liu Mingzu added: In implementing the fourth plenary session guidelines, party organizations at all levels should concentrate on conducting special studies and discussions, should conscientiously understand, should become familiar with some major issues proposed and clarified in the "decision," and should actively organize the broad masses of party members to study them. Only by studying and understanding them well can we implement them well. From the regional party committee to party committees at all levels, all should attend to their self development. As far as the league committee is concerned, it should prominently grasp two points: First, it should attend to educating that the party should manage party affairs; develop good plans for the entire league's party building work; put forward party building

objectives, measures, demands, and responsibilities; strengthen inspection and supervision over practical work; firmly implement the work; and conduct one or two meetings a year to specially discuss party building work. Second, it should concentrate energy on grasping the building of leading bodies of banner and county party committees. The league party committee should sponsor study sessions and seminars for banner and county party committee secretaries as well as banner and county heads; should organize them to study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; should enhance their theoretical and policy level; should act in connection with reality; and should study and solve practical problems which it has encountered in the course of reform and opening up. It should conscientiously inspect the implementation of democratic centralism in banner and county party committees, should guide them to successfully hold democratic party life activities, should strengthen unity among members of banner and county party committees, and should enable them to form a strong leadership core. It should also do a good job in evaluating, training, and using banner and county cadres in line with the responsibility system of making cadres fulfill certain objectives during their tenure of office. To implement the fourth plenary session guidelines, banner and county party committees should outstandingly grasp four priorities: First, they should strengthen investigation and study; combine the guidelines of the central authorities and of the higher levels with the local reality, and successfully carry out the work of these localities; should uphold democratic centralism so policy decisions are made in a democratic and scientific manner; and should uphold the mass line, serve the people wholeheartedly, and do practical things for the masses. Second, they should grasp the building of grass-roots party organizations; should classify the party organizations of townships, towns, sumu, villages, gacha, and enterprises by priority; should conscientiously study measures and methods for improving backward party branches; should assign special persons to take charge of the work; and should set time limits to make improvements. In addition, they may also select and send good quality, young party-member cadres to grass-roots units to serve as party branch secretaries, and make them assume responsibility to fulfill a certain objective during their tenure in office. Through solid work, they should make grass-roots party organizations realistically become strategic bastions for leading the masses to become rich or to attain a level of moderate prosperity. Third, they should train cadres; do a good job in selecting successors; devise plans for training reserve cadres; be good at discovering talents; have the courage to use them; and recommend them to leaders and departments at higher levels. Fourth, they should pay attention to recruiting party members on the forefront of production, and should conscientiously solve the aging problem within the ranks of party members. Liu Mingzu stressed: It is necessary to unswervingly uphold the central task of economic construction, to strengthen party building through the implementation of

the fourth plenary session guidelines, to make party building serve economic construction, and to enable party organizations at all levels to become leading forces and the organizational guarantee for economic construction. In implementing the fourth plenary session guidelines, the priority of party organizations of townships, sumu, villages, gacha, and enterprises is to strengthen self construction, improve work style, and grasp economic construction well; to strengthen education on party spirit among party members, and enhance their quality; to strengthen the vitality of party organizations and change weakness and slackness; and to actively recruit party members from the forefront of production and expand the party's grass-roots organizations.

In referring to deepening reform in pastoral areas, Liu Mingzu stated: We should further improve the livestock and grassland double-contract responsibility system. At present, some localities have failed to fully implement the grassland contract system and assign grasslands to households; they still suffer from eating from the big pot. The grassland contract system is aimed at mobilizing the enthusiasm of herdsmen to cherish, manage, and build grasslands; promote grassland construction; and raise the quality of grasslands. This issue must be firmly attended to and resolved, and efforts should be made to allocate grasslands to households as quickly as possible. It is necessary to study the livestock contract issue. In the beginning, we fixed contract prices and allowed households not to pay contract fees for a period of time in order to help them rest and build up strength. Now the situation has changed. Every herdsman in the entire league has an average of 82 sheep units [yang dan wei 5017 0830 0143]. Since the herdsmen have become rich, we should collect reasonable grassland and livestock contract fees from them in line with the stipulations, and should regard these fees as collective income for expanding the collective economy. It is necessary to strengthen management over the collected contract fees and use them mostly for building grasslands, improving livestock strains, and promoting the development of animal husbandry.

Liu Mingzu has been much concerned about the issue of making peasants and herdsmen rich or at least attaining a level of moderate prosperity. After conducting in-depth investigations and studies, he said: It is absolutely possible for pastoral areas to take the lead in attaining a level of moderate prosperity. The crucial issue involved now is to strive to improve infrastructure facilities, to improve the feeding methods, and to raise the production level of animal husbandry. Specifically, we should first "introduce farming to pastoral areas"; raise the quality of grasslands and the rate of self-sufficiency in fodder grass for animals to tide over winter; increase the amount of fodder grass for animals; and accelerate the development of livestock. Second, we should "introduce science and technology into pastoral areas"; increase science and technology in animal husbandry; gradually popularize compound animal feeds and the method of raising livestock in sheds, or sometimes in the open air;

and improve their strains. We should increase the rate of livestock slaughtered and increase the meat, hair, and milk producing rates per unit of livestock. Only thus can we achieve high-yield, fine-quality, and highly-efficient animal husbandry. Liu Mingzu emphatically pointed out: The Xilin League should pay attention to making peasants attain a level of moderate prosperity. Presently, the income of peasants in the Xilin League is quite low. We must recognize the arduousness of making rural areas attain a level of moderate prosperity. This needs our efforts in order to emancipate thinking; to expand the train of thought; to give full play to the advantage of the planting industry in the rural areas; to plant grass and forage; to sell them to the pastoral areas; and to develop commodity grass. In addition, we may mobilize peasants to pastoral areas in order to build small man-made pastures for herdsmen and to plant fodder grass, and may urge herdsmen to give them livestock as remuneration so as to develop animal husbandry in rural areas. Thus, we may "introduce farming" to pastoral areas and "animal husbandry" to rural areas; may combine farming with animal husbandry; may carry out two-way exchanges; may make them promote each other; and may enable peasants and herdsmen to reach common prosperity or attain a level of moderate prosperity.

Liu Mingzu also pointed out: The Xilin League should end the current financially-difficult situation. First, it should fully recognize the importance of developing industry and the tertiary industry, should change the guiding method of grasping only farming and animal husbandry, and should strengthen leadership over industry and the tertiary industry. All levels should have full-time personnel in charge of this work, and should establish the responsibility system of managing certain targets. Second, in developing industry and the tertiary industry, they must proceed from reality, do a good job in selecting items, and give play to their own advantages. Third, they should actively introduce professionals and technology, should expand and strengthen the reform of existing enterprises, should do a good job in enterprise internal management, and should rapidly end deficits. Fourth, they should use markets to actively guide the development of township enterprises; should develop private enterprises, individual commercial units, and other non-public sectors of the economy; and should produce and develop what the market needs. For example, if peasants and herdsmen want to build brick houses when they become fairly well-off, we may develop brick and building material enterprises as well as ranks of construction workers; may develop a transport industry when peasants and herdsmen want to sell their products to other places and bring in raw materials; may develop an animal feed processing industry when herdsmen want to develop high-yield, fine-quality, and high-efficient animal husbandry as well as accelerate the slaughter of livestock, and need compound feeds; and may develop farm and livestock products processing industry, transport, marketing, and storage industries if

the amount of farm and animal products has increased. In short, we should develop what the market needs.

Inner Mongolia Reports Achievements in Autonomy Law

SK2111022294 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 20 Nov 94

[FBIS Translated Text] The 11th standing committee meeting of the eighth autonomous regional people's congress, which concluded on 19 November, heard and discussed the report by the chairmanship meeting of the autonomous regional people's congress on inspection over the enforcement of the PRC law on regional national autonomy. The report stated: In the 10 years since the promulgation of the law on regional national autonomy, Inner Mongolia carried out a great amount of work in enforcing this law and won tremendous achievements. This has helped promote the region's reform, opening up, and modernization drive, enhance the great unity between various nationalities, and safeguard the unification of the motherland. The region's inspection over the enforcement of the law on regional national autonomy was arranged in line with the circular of the National People's Congress Standing Committee and the general office of the autonomous regional party committee. It started in mid-August and ended at the end of September. Self-inspection was the major method for the inspection, and it was supplemented with spot checks. During the inspection, three vice chairmen of the autonomous regional people's congress standing committee led three groups to conduct spot checks of the eight leagues and cities, 16 banners, counties, and districts, and 15 regional committees, offices, departments, and bureaus in eastern, central, and western parts of the region. Results of the inspection showed that Inner Mongolia's enforcement of the law on regional national autonomy had been good on the whole, and great achievements had been scored. The region conducted extensive propaganda and education on the law on regional national autonomy since it was promulgated. During the first five-year plan period for disseminating laws, 14.868 million people throughout the region participated in the study of the law on regional national autonomy. Since the second five-year plan started, more than 13 million people in the region received reeducation on the law. In the past 10 years, Inner Mongolia carried out extensive activities to commend national unity and progress, and 1,632 advanced collectives and 3,519 advanced persons were commended. In the 10 years since the law on regional national autonomy was promulgated, the region focused the enforcement of the law on developing productive forces and concentrated efforts on socialist modernization, thus bringing about profound changes in its economic and social outlook and promoting its overall economic strength to a new stage. From 1985 to 1993, the region's investment in fixed assets totaled 83.41 billion yuan, which was 3.37 times the investment made in capital construction in the 35 years before 1984. Compared with 1984, the region's

GNP increased by 1.03 times in 1993; industrial and agricultural output value by 1.25 times; local revenue by 5.64 times; and grain output by 86.5 percent; and its ranking in per capita grain output rose from 20th to 3d in the country. The region witnessed bumper harvests in animal husbandry for 10 years in a row. The total number of animals was stabilized at a level of about 55 million. People of various nationalities also witnessed notable improvement in their living standards. Urban people's per capita cost of living income rose by 2.43 times, peasants' per capita net income by 1.32 times; and herdsman's per capita net income by 1.03 times. Substantial improvement was achieved in urban people's clothing, food, housing, daily necessities, transportation, and cultural life. In the 10 years since the law on regional national autonomy was promulgated, Inner Mongolia made continued efforts to deepen reform and open wider to the outside world. It issued a series of policies and measures that suited local and national characteristics. Thanks to the unified arrangements of the central authorities and the leadership of the autonomous regional party committee, the region comprehensively promoted the coordinating reform in the planning, investment, financial, tax, banking, and foreign trade fields, effecting an initial change in the old economic system and facilitating the development of the economy and various social undertakings. Inner Mongolia also achieved breakthroughs in opening to the outside world. In the past 10 years, it established and opened 18 transit posts, including Manzhouli and Eren Hot, China's largest land ports. In 1993, its imports and exports registered a 10-time increase over those of 1984. So far, Inner Mongolia has established trade and economic cooperative relations with more than 2,000 firms of over 80 countries and regions. Its regional economic cooperation with neighboring and other provinces and regions also made new headway. Achievements resulting from its imports and cooperation gradually became an important growth point of its economic development. Inner Mongolia made rapid progress in the education of minority nationalities in the past 10 years. It consolidated and improved the educational system for minority nationalities that consisted of all the education from preschool education to higher education. Primary education was made universal by and large in 100 banners, counties, districts in the region; and the school enrollment rate and continued schooling rate of its school-age children reached or surpassed the national average. In the past 10 years, the region always regarded the training of the cadres of minority nationalities as the key to improving the system of regional national autonomy and to comprehensively enforcing the law on regional national autonomy. It made continued efforts to train and use the cadres of minority nationalities; the contingents of the cadres of minority nationalities were developed and expanded continuously; and their quality was notably upgraded. The increase rate of the cadres of minority nationalities was higher than the increase rate of all the cadres in the region and that of the population of minority nationalities. In the 10 years since the law on

regional national autonomy was promulgated, Inner Mongolia continued to strengthen local legislation and establish necessary laws for minority nationalities. Based on state laws and the region's specific conditions, it formulated and approved 79 local laws and regulations and made 31 decisions and resolutions that serve as laws and regulations. These laws and regulations concern the region's politics, economy, culture, education, and social life and help to substantiate its abundant autonomy.

The report also pointed out the problems discovered during the inspection and offered specific (opinions) on how to solve these problems.

Northeast Region

Heilongjiang Opens International Water Route

OW1811130394 Beijing XINHUA in English 0917
GMT 18 Nov 94

[FBIS Transcribed Text] Harbin, November 18 (XINHUA)—A river-sea route, linking China with Japan, the Republic of Korea, Canada, the United States and republics of the former Soviet Union, is being developed to speed up the economic take-off in northeast China's Heilongjiang Province.

Following the route, a ship can sail from the Heilong River into Russia's Amur River and reach the Pacific Ocean.

Thousands of tons of corn have been shipped in this way to Japan. And millions of tons more of merchandise will be transported abroad on the same course.

Sheng Chunpeng, an official for the province's maritime navigation affairs, said the number of ships operating on the course will be increased from the present of 2 to 20 to a number that can handle 800,000 to one million tons of goods by the year 2000.

Abundant in natural resources, Heilongjiang can export up to 10 million tons of goods annually. However, having no seaport within reach, it usually exports no more than 40 percent of its potential.

Each year, it exports 1.2 to 1.6 million tons of corn and beans through Dalian, a port city in southern Liaoning Province. When the new route comes into use, transportation mileage and expenses can be cut by half, Sheng said.

In 1992, China and Russia signed an agreement allowing Chinese vessels to run on the Amur River down to the sea, ending the long history of Heilongjiang having no access to the sea since 1858.

The provincial government regards the route as a golden waterway, hoping that international economic exchanges on the route will fuel economic development in the areas along the rivers.

The province has unveiled a series of policies to spur the development of the route, with domestic and overseas commitments along the route being encouraged, foreign business concerns being invited to construct harbors and international river and sea tourism being organized.

Offices concerned with affairs along the route will be set up in Japan, the Republic of Korea, and Hong Kong, and more seamen will be trained.

The opening of the route has also attracted international attention. Japan praised it as a water-borne oriental silk road, and had plans to open more cities for this route.

Entrepreneurs from the Republic of Korea have leased 38,190 ha of land beside the Songhua River, a tributary of the Heilong River, to cultivate cereals, which will be shipped to Japan over the route.

Russia showed interest in jointly developing a magnesium mine with Heilongjiang, the products of which will also be transported over the route.

Radioactive Waste Unearthed in Central Harbin

HK1911035894 Hong Kong MING PAO in Chinese 18
Nov 94 p B4

["Special dispatch": "Over 200 Tonnes of Radioactive Waste Contaminates a 400-Square-Meter Area in Harbin"]

[FBIS Translated Text] Last month, environmental protection workers in Harbin, Heilongjiang, unearthed 240 tonnes of radioactive waste that had been buried for more than 20 years. This shows that the disposal of dangerous industrial waste badly needs improvement. According to a report, the unearthed waste poses a grave health hazard because it could damage bones and reproductive organs, which could lead to birth defects. The report adds that soil contaminated by the waste for long periods would pollute the surrounding air and underground water, but it does not say whether or not the health of residents in the neighborhood has been affected.

The 240 tonnes of unearthed waste was a by-product of Ra-26, which was used by a military factory in the production of fluorescent meters for aircraft.

The waste was buried in a dozen pits and wells in the 1960's, contaminating a 400-square-meter area in the city center.

The ZHONGGUO QINGNIAN BAO report says that the waste is the province's biggest radioactive waste problem, suggesting that other dumps also exist in Heilongjiang.

For decades, China pursued industrial development, particularly in heavy industry, without any concern for environmental protection. Waste products were simply buried, burned, or dumped untreated into waterways.

Harbin's environmental protection officials have been trying for five years to have proper facilities built for storing radioactive waste, but factories argue that they do not have the funding.

A gold mine, for example, refused to set up waste storage facilities or to build walls to control pollution, arguing that it did not have the money. As a result, for years, it has produced thousands of tons of radioactive thorium in the process of production each year.

An environmental protection engineer of Heilongjiang Province said that by law, enterprises that produce radioactive waste must build proper storage facilities. "The reality before us, however, is that few enterprises are willing to spend the money," he added.

Jilin Reports Improved Economic Situation

SK1711125594 Changchun JILIN RIBAO in Chinese
29 Oct 94 p 1

[By reporter Jiao Qijun (3542 0366 6511)]

[FBIS Translated Text] This reporter learned at the news conference on the province's economic situation from January to September held by the provincial government on 26 October that in the first nine months of this year the province's national economy witnessed a sustained and steady growth. According to preliminary statistics, from January to September, the gross domestic product amounted to 53.41 billion yuan, an increase of 14.5 percent over the same period last year if calculated in terms of constant prices. This surpassed the level demanded by the objective of pushing the province's economy onto a new stage.

Agricultural production developed in an all-around way and a bumper harvest was reaped in grain. Since the beginning of this year, the activity of invigorating agriculture through science and technology has been expanded, monetary input has increased, and the acreage sown to grain has been expanded. Although some areas were afflicted by droughts and floods, the province has still reaped a bumper grain harvest. According to preliminary forecasts, the province's grain output totaled 20.15 billion kg, the second highest year in history. Output of livestock products continued to increase. From January to September, output of pork and beef increased by 18.2 percent and 30.8 percent respectively over the same period last year, and pigs and cattle in stock went up by 7.4 percent and 22.4 percent. Township and town enterprises continued to grow rapidly. In the first nine months, their output value reached 34.703 billion yuan, an increase of 41.6 percent over the same period last year.

Industrial production went up steadily and the market situation improved gradually. Since the beginning of this year, industrial production maintained a relatively high growth speed in general. From January to September, the total output value fulfilled by the industrial enterprises at or above the township level throughout the province

was 78.651 billion yuan, an increase of 13.4 percent over the same period last year. The relatively rapid increase in the province's industry mainly resulted from the contributions of the Changchun No. 1 Automobile Corporation Group and the Jilin Chemical Industrial Group. From January to September, these two groups achieved 21.84 billion yuan in output value, thus helping to raise the industrial growth rate by 7.2 percentage points.

Investment in fixed assets increased appropriately, and the increase trend of local investment was relatively strong. From January to September, the state-owned units in the province completed fixed assets investment by 12.207 billion yuan accumulatively, an increase of 40.2 percent over the same period last year. Key projects were under smooth construction, thus being extremely conducive to enhancing the momentum of local economic development of the province.

Markets tended to become brisk steadily and foreign export trade showed a sustained increase. Due to the steady increase in industrial and agricultural production and the ample supply of commodities on markets, the psychology of consumers was stable. Since the beginning of September, markets sales have been brisk.

Foreign exchange management and reform geared up the sustained growth of foreign export trade. Combining the market-regulated exchange rate with the state-fixed exchange rate has added the value of export products and has stimulated the export of products.

The dynamics of opening up was enhanced, and the amount of utilized foreign funds increased. Since the beginning of this year, the province carried out the strategy of putting opening up above everything else, thus resulting in rapid growth of export-oriented economy. From January to September, the province approved 970 contracts on utilization of foreign capital, and the total amount of foreign funds covered by these contracts reached \$1.4 billion, with the actually utilized foreign funds reaching \$690 million, an increase of 40.2 percent over the same period last year.

The banking situation was stable and financial revenues increased. Banking system reform helped effect a favorable turn in the banking situation, and the increase margin of savings deposits was bigger than that of loans. By the end of September, banks throughout the province newly added 9.26 billion yuan in savings deposits, 5.67 billion yuan more than those at the same period last year. In the first nine months of this year, the province put 4.085 billion yuan of currency in circulation, 550 million yuan fewer than that in the same period last year. Savings deposits of urban and rural residents in the province increased exceptionally. By the end of September, savings deposits of banks totaled 50.05 billion yuan, 11.08 billion yuan more than those at the same period last year. The new tax system was carried out smoothly and financial revenues increased steadily. In the first nine months, the province's financial revenues

totaled 5.45 billion yuan, an increase of 31.2 percent over the same period last year.

People's income went up steadily and living standards improved somewhat. Rapid economic development helped increase people's income. A sample survey shows that in the first nine months, income of urban residents available for living expenses amounted to 1,601.37 yuan, and cash income of rural residents reached 656.85 yuan (after taking into account savings deposits and loans).

The meeting pointed out: In the first nine months of this year, the provincial trend of the national economy was good. However, efforts must be made to resolve two major problems in the current economic operation.

The increase margin of commodity prices remains high and lags behind the demand of overall control. Since the beginning of this year, the increase margin of the province's commodity prices has always remained high. Since mid-August, governments in various localities have adopted effective measures to deal with this situation. As a result, retail prices have dropped to some extent.

Fund shortage has always been a major factor hampering the province's economic development. Since the beginning of this year, although the loans granted to industrial enterprises have increased, their fund shortage has not been relieved. This is mainly because of the poor utilization effect of funds.

Liaoning Discipline Inspection Meeting Ends

SK1911055994 Shenyang LIAONING RIBAO in Chinese 1 Nov 94 p 1

[FBIS Translated Text] The 2-day 10th plenary session of the discipline inspection commission of the Liaoning Provincial CPC Committee ended in Shenyang on 31 October.

Thirty-four members of the provincial discipline inspection commission attended this session and 25 leaders of the departments concerned attended the session as non-voting delegates. According to the procedures of the session, the comrades participating in the session enthusiastically discussed Comrade Shang Wen's report made at the session. The participants unanimously expressed that we should conscientiously implement the guidelines of the 10th plenary session of the provincial discipline inspection commission, implement to the letter the tasks as set forth at the session, and create a new situation in the province's discipline inspection and supervisory work.

The session conscientiously studied and implemented the guidelines of the fourth plenary session of the party Central Committee, the fourth plenary session of the Central Discipline Inspection Commission, and the 10th plenary session of the seventh provincial party committee; explored and studied ways for bringing into full play the supervisory functions; ensured the implementation of the tasks put forward in the "decision" of the

fourth plenary session of the party Central Committee and the "suggestions on implementation of the decision" made at the 10th plenary session of the seventh provincial party committee; and also arranged the next-step work. The comrades participating in the session unanimously supported the "decision on several major issues concerning the enhancement of party building" as well as Comrade Jiang Zemin's important speech; completely agreed to the "Liaoning Provincial CPC Committee's suggestions on implementation of the 'CPC Central Committee's decision on several major issues concerning the enhancement of the party'" adopted at the 10th plenary session of the seventh provincial party committee and Comrade Gu Jinchu's important speech; and unanimously agreed to the report on "conscientiously implementing the guidelines of the fourth plenary session, bringing into full play the supervisory functions, and ensuring the fulfillment of various tasks for party building" made by Shang Wen, secretary of the provincial discipline inspection commission, on behalf of the standing committee of the provincial discipline inspection commission. The session approved the "resolution on the work report of the standing committee of the provincial discipline inspection commission adopted at the 10th plenary session of the Liaoning Provincial Discipline Inspection Commission."

The session stressed: The discipline inspection organs at various levels should clearly understand their own functions and duties; bring their supervisory functions into full play; resolutely safeguard the party's political discipline; supervise and ensure the implementation of the principles governing the democratic centralism; resolutely correct, investigate, and handle the activities violating the democratic centralism; and safeguard the central authorities. Simultaneously, we should also supervise and promote the construction of the grassroots party organizations, vigorously cultivate and select the leading cadres with both ability and political integrity, and ensure the fulfillment of various major measures. We should further expand the dynamics of supervising the procuratorial and law enforcement work and ensure the implementation of the provincial party committee and government's major policy decisions on reform, development, and stability.

The session urged: The discipline inspection and procuratorial organs at various levels should work under the leadership of the party committees and governments, conscientiously implement the arrangements for opposing corruption made by the party Central Committee and the provincial party committee, work closely in line with the central link of the economic construction, pay firm attention to leading cadres' administrative honesty and the rectification of party style, strengthen leadership, expand the dynamics of the work, investigate and conclude a number of major and appalling cases, deeply wage a special struggle against unhealthy trends, set up and perfect effective supervisory and restriction mechanisms, strive to make achievements in fulfilling

this year's three anticorruption tasks, and serve the progress of reform, development, and stability.

Northwest Region

Xinjiang Discipline Commission Communiqué

OW1811142894 Urumqi XINJIANG RIBAO in Chinese
31 Oct 94 pp 1, 3

[Communiqué issued by the Eighth Plenary Meeting of the Xinjiang Uygur Autonomous Regional Commission for Discipline Inspection; date not given]

[FBIS Translated Text] The Eighth Plenary Meeting of the Xinjiang Uygur Autonomous Regional Commission for Discipline Inspection was held in Urumqi on 29 October 1994. Twenty-four members of the regional Commission for Discipline Inspection attended the plenary meeting. Earlier, members of the regional Commission for Discipline Inspection attended the Seventh (enlarged) Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee as observers.

The topics for discussion at the Eighth Plenary Meeting of the regional Commission for Discipline Inspection included how to ensure the implementation of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh (enlarged) Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee and plan for the work of the regional Commission for Discipline Inspection. The Standing Committee of the regional Commission for Discipline Inspection presided over the plenary meeting. The plenary session adopted a report made by Zhou Shengtao, secretary of the regional Commission for Discipline Inspection, on behalf of the Standing Committee, entitled: "Give Full Play to the Role of Supervision, Ensure the Implementation of the Guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh (enlarged) Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee."

The participants in the plenary meeting unanimously held that the Fourth Plenary Session of the 14th CPC Central Committee was an important meeting held at a crucial moment in the development of the reform, opening up and socialist modernization drive with overall and long-term significance. The participants unanimously supported the regional party committee's "Suggestions on Implementing the Guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and Major Issues on Strengthening Party Building" and an important speech made by Comrade Wang Lequan, and also endorsed speeches made by Comrade Wang Enmao and Comrade Abudulahat Abdurixit. The participants in the plenary session held that "suggestions" of the regional party committee have fully embodied Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and, in particular, his thinking on party building. The "Suggestions" have

followed the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, correctly analyzed the present situation of party building in this region, clearly put forward goals, tasks, measures and demands in further strengthening the party's ideological building, organizational building, and work style improvement, and set guiding principles and made arrangements for the work to promote reform, development, and stability in the autonomous region in the last two months of this year and the next year. The convocation of the Seventh (enlarged) Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee will certainly have an important influence on further improving party building, turning the party into a strong leading core and promoting reform, opening up, and the socialist modernization drive. The Fourth Plenary Session of the 14th CPC Central Committee has made overall arrangements for strengthening party building under the new situation. Now that the guiding principles and policies have been established for promoting reform, opening up, and stability and for strengthening party building, we must work hard to implement them. The implementation of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee cannot be properly done without the creative work of party organizations at various levels, the concerted efforts of all party members and powerful supervision within the party.

The plenary meeting reiterated that the strengthening of supervision within the party is mainly to supervise whether party organizations and party members are correctly implementing the party's line, principles, and policies, whether they correctly enforce the power entrusted to them by the people, and whether they strictly observe various systems of democratic centralism. It is imperative to lay stress on supervising leading organs and leading cadres at various levels, especially the principal responsible persons of the party and government. Under the conditions of developing a socialist market economy, we should pay particular attention to preventing violations of law and discipline by cadres who are also party members.

The plenary meeting of the regional Commission for Discipline Inspection emphatically points out that, in order to fully implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh Plenary Session of the Fourth Xinjiang Uygur Autonomous Regional CPC Committee, it is imperative to seriously carry out the principle of democratic centralism. Whether we can properly implement democratic centralism or not will determine the success and failure of the cause of the party. Generally speaking, party organizations at various levels in the autonomous region have been properly implementing democratic centralism. However, the problem of lacking democratic centralism does exist to a certain extent in some units. At present, the problem of not subordinating local interests to the overall interests is quite conspicuous. Discipline

inspection organizations at various levels should strengthen their supervision over the implementation of democratic centralism; protect the power of the central authorities; ensure the effective implementation of the party's basic line, principles and policies; ensure the smooth implementation of government decrees; protect the unity of the party; strengthen the party's rallying power; and guarantee the unity of party organizations at various levels on the basis of the theory of building socialism with Chinese characteristics and the party's basic line. They should uphold various rules for political life within the party; supervise the relations between individuals and organizations, between the lower and higher levels, between the minority and majority, and between the locales and the party Central Committee, based on the principle of democratic centralism; maintain and protect the democratic rights of party organizations at various levels and party members; develop democracy within the party; and protect and support party members to emancipate their minds, seek truth from facts, dare to explore and create new things.

Discipline inspection organizations at various levels should, according to the tasks stipulated in the party constitution, do a good job in establishing rules and regulations, set guidelines for activities of party organizations and party members in observing democratic centralism, and strengthen supervision mechanism within the party by formulating procedures and handling methods for supervision and inspection.

The plenary meeting pointed out: Among the "obeying four things," the most important one is that the whole party must obey the party Central Committee. Another important organizational discipline is that the lower organizations should obey the higher organizations. Party organizations at various levels and all party members should maintain unanimity with the party Central Committee concerning the party's basic line, general principles, general policies, and general goals, as well as other major issues which concern the overall situation. It is imperative to seriously implement the decision, resolutions, and work arrangements of the autonomous regional party committee. Discipline inspection organizations at various levels should resolutely protect the authority of the party Central Committee, maintain the serious nature of policy decisions made by the autonomous regional party committee, and strictly enforce party discipline. They should seriously investigate and handle activities which seriously violate political discipline, such as the violation of the four cardinal principles, the practice of bourgeois liberalization, the sabotage of national unity and the unification of the motherland, the rejection of the party's basic line, and other serious violations of political discipline. They should seriously investigate and handle behaviors which seriously violate party discipline, such as disregarding major reform measures and macrocontrol of the party Central Committee, the autonomous regional party committee, and the autonomous regional people's government; failing to implement orders and ban undesirable

things; violating law and discipline to protect local interests; violating the principle of collective leadership; and making serious false statements to deceive the higher level and cheat the lower level and to hamper the establishment of a socialist market economic structure.

The meeting participants believed that the party's ideological education, organizational building, and efforts to improve work style complement one another and are integral parts of the whole. The discipline-inspection and supervisory organs should play a comprehensive supervisory role to ensure the implementation of all the tasks of party building. It is necessary to guarantee that the whole party is armed ideologically with Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics. Efforts should be made to help the departments concerned carry out education on the CPC constitution, on the ideals and purpose of the CPC, on party and government discipline and state laws, and on the party's fine tradition. Supervision should be exercised over the implementation of the guiding principles and measures for strengthening and improving the building of the primary party organizations as the CPC Central Committee's "Decision" and the regional party committee's "Suggestions" have proposed. It is necessary to supervise the implementation of the party's line and policies concerning cadres and its organizational and personnel discipline. It is necessary to strengthen supervision over the selection and appointment of leading cadres and resolutely prevent irregularities in personnel affairs.

The plenary meeting emphasized: The key to accomplishing the tasks for next two months and next year put forward by the seventh plenary session of the autonomous regional party committee lies in achieving ideological unity and performing actual deeds. Party and government leaders at all levels should earnestly improve their work style, conduct investigation and study at grass-roots units, carry forward the fine tradition of hard struggle, and perform actual deeds. The discipline-inspection and supervisory organs should take a further step to adhere to the party's basic line, take economic construction as the central task, and contribute to reform, development, and stability. Cadres of the discipline-inspection and supervisory organs, particularly the leading cadres of those organs, should have a broader vision, perform their duties to promote reform, development, and stability in Xinjiang, ensure the implementation of the tasks put forward by the seventh plenary session of the autonomous regional party committee, and help bring about a rapid and highly efficient economic development in Xinjiang.

The plenary meeting demanded: The discipline inspection and supervisory organs at all levels should be motivated by the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the seventh plenary session of the autonomous regional party committee to carry on

the anticorruption struggle in a deep going, sustained, and more effective way. It is necessary to firmly carry out the tasks of the anticorruption struggle, make leading cadres honest and self-disciplined, and constantly make new progress in investigating and handling cases of law and discipline violation and in curbing unhealthy tendencies. The major tasks of the anticorruption struggle for the last two months of this year and for early next year are to make more efforts to investigate and handle a number of major cases of law and discipline violations, strengthen supervision and coordination, seriously do the anticorruption work in three respects [not further specified], and firmly attain the objective of this year's anticorruption struggle.

The plenary meeting called on the party committees and the discipline-inspection commissions at all levels and all CPC members to unite even more closely around the party Central Committee with Comrade Jiang Zemin as the core, work under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, seriously study and thoroughly comprehend the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the seventh plenary session of the autonomous regional party committee, enhance vigor, do solid work, and make new contributions to turning our party into an even stronger core of leadership and pushing Xinjiang's reform, opening up, and socialist modernization forward.

Defense Minister Fields Questions on Shelling

GW2011123594 Taipei LIEN-HO PAO in Chinese
17 Nov 94 p 3

[By reporter Lu Te-yun]

[FBIS Translated Text] On 16 November, both Defense Minister Sun Chen and Lieutenant General Ting Yu-chou, Army Chief of Staff, stressed that the unidentified artillery shells that hit the Xiamen area across from Hsiao Kinmen [Little Quemoy], may have been the result of "erroneous shooting" by 40 mm anti-aircraft guns fired by troops stationed on Hsiao Kinmen, and that it was absolutely not a case of "shelling Xiamen," that our side meant no hostility, and that the incident had no political significance. Sun Chen expressed regret over the incident and offered an apology.

As to the mainland people who were injured by the "erroneous shells," Sun Chen pointed out that the Defense Ministry intended to pay reparations, and that the amount of those reparations would be determined by the seriousness of the people's injuries. He added that as our side attaches great importance to human rights and the value of the human lives, we will not handle this case in the same manner Communist China handled the Qiandao Lake incident.

Yesterday, Sun Chen was to deliver a report at the request of the Legislative Yuan's Defense Committee over the Defense Ministry's General Welfare Department's procurement process. However, due to the suicide of a frontline commander, the erroneous shelling of Xiamen by Hsiao Kinmen's anti-aircraft guns, and the theft and sale of grenades by a graduate of the Army Officers' Academy, legislators shifted their focus of interpellations to the above matters. The Defense Ministry was well prepared for this. Relevant Defense Ministry officials were present at the interpellations.

Ting Yu-chou, in reply to a legislator's interpellation over the erroneous shelling matter, pointed out that at 1100 [0300 GMT] on 14 November, the Hsiao Kinmen's Liehyu Division conducted two tests using its recently repaired 40 mm anti-aircraft guns. A total of 28 shells were fired during the first test and 33 during the second test. The shelling was originally directed southward, but was later moved westward, that is, toward the direction of Xiamen, due to consideration by the battalion commander in charge of the testing for the safety of aircraft landing at the Shangyi Airport on the main island of Kinmen. In theory, the 40 mm anti-aircraft guns' firing range is 6,900 yards. The distance between Hsiao Kinmen and Xiamen is about 8,000 yards. If some of those shells failed to explode, it is likely that they could have fallen onto Xiamen as a result of the parabolic curve's motion. He said the troops had not taken this factor into consideration.

Tsao Erh-chung, a legislator from the Matsu electoral district, asked: If our side compensates the people in Xiamen for the erroneous shelling, who will compensate

the people in Kinmen and Matsu if they are killed or injured by artillery shells from Communist China? He also asked how much compensation the people in Kinmen and Matsu would receive if they were hit by our own shells? Sun Chen said it would be difficult to trace past incidents in which the people living across both sides were killed or injured by shells. He admitted that compensation by the Army to people on Kinmen and Matsu injured by errant shells was not high.

Yesterday, several legislators expressed dissatisfaction during their interpellations over contradictory remarks made by the defense minister and by the Army's Kinmen Defense Command. On 15 November, while Sun Chen was replying to an interpellation at the Legislative Yuan, saying it was "impossible" for an erroneous shelling to occur, the Army's Kinmen Defense Command issued a news release saying: "An erroneous shelling could have happened." They said the contradiction was due to either a lack of verification efforts on the part of the military command system or to the poor preparatory briefing work by the civilian defense minister, who is the responsible official representing the military at the Legislative Yuan.

Sun Chen was hard pressed to parry the criticism. He said he learned of the news around 0000 in the early morning of 15 November from a news source. At 0820, he contacted the Army for verification of the incident. At 1000 he was told that there was no such incident. By the time the Kinmen Defense Command received a report at 1100 confirming the erroneous shelling of Xiamen by 40 mm anti-aircraft guns, it was too late to inform the defense minister about the incident because he was already at the Legislative Yuan replying to the legislators' interpellation.

SEF Team Leaves for Cross-Strait Talks

OW2111075094 Taipei CNA in English 0714 GMT
21 Nov 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 21 (CNA)—Hsu Hui-you, deputy secretary-general of the Straits Exchange Foundation (SEF) and a 12-member delegation left Taiwan Monday morning [21 November] for Hong Kong where they will proceed to Nanjing, southern Mainland China, for a new round of cross-Taiwan Strait talks.

It will be the sixth round of technical talks between SEF and its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), and the eighth cross-strait meeting since SEF chairman Koo Chen-fu and ARATS Chairman Wang Daohan met last April in Singapore. The meeting ended an impasse of more than four decades between the two sides of the Taiwan Strait.

SEF and ARATS representatives, led respectively by Hsu and his mainland counterpart Sun Yafu, will continue to focus discussions on such pressing issues as fishing disputes and repatriation of hijackers and illegal immigrants.

During the meeting, scheduled for Nov. 22-27, the two sides will also look into matters pertaining to broadening the use of the certification regime in trade, legal, and other areas; the opening of express mail services; and the inheritance problems of mixed mainland/Taiwan families.

SEF is in no hurry to sign any agreements with the mainland, a SEF spokesman said.

He hoped, however, that cross-strait negotiators will reach consensus on the wording of draft agreements on the technical issues, thus paving the way for talks on other issues, including intellectual property rights and jurisdictional assistance.

Taiwan People Alliance Party Set Up

OW1911014094 Taipei TZU-LI WAN-PAO in Chinese 8 Nov 94 p 2

[By reporter Wu Tseng-huang]

[FBIS Translated Text] As the first step in establishing a new political party, provincial gubernatorial candidate Wu Tzu formally announced the decision to set up the "Taiwan People Alliance Party [TPAP]" at the Taiwan University Alumna Hall this afternoon. The new party's initiators are some famous figures, including provincial council member Huang Yu-chiao; former legislators Su Chiu-chen, Wu Yong-hsiung, Lei Yu-chi, and Hsu Chen-nan; and lawyer Lin Ming-cheng. Their move will give another shock to the development of domestic political parties.

At the preliminary stage, the "TPAP" will set up a division in northern, central, and southern Taiwan. Cheng Lin-an is the responsible person of the northern division; Wei Chi-chu, responsible person of the central division; and Su Chiu-chen, responsible person of the southern division. Because Wu Tzu, one of the initiators, has started his election campaign, his move to set up a new party will bring about new changes to the provincial governor elections.

According to Cheng Lin-an, adviser for Wu Tzu's election campaign headquarters, 10 of the new political party's initiators are: Huang Yu-chiao, Wei Chi-chu (vice president of TZU-LI WAN-PAO), Su Chiu-chen, Wu Yong-hsiung, Huang Chi-ta, Hsu Che-nan, Wei Yu-chi, Lin Ming-cheng (lawyer), Wu Tzu, and Chen Yang-te (former National Assembly member). Shi Chi-ung-wen, Taipei County provincial council member candidate, and Hsiao Fang-wan, a National Assembly member, will join these initiators. At present, more than 200 people have signed to show their support.

In the party principles statement issued by the "TPAP" today, the initiators pointed out: The party, which gives priority to Taiwan and the people, is the new hope of 21 million Taiwan people. The party members will no

longer tolerate Sung Chu-yu's corruption and the Democratic Progressive Party's radical actions. They will bravely unite.

The party upholds four major principles: political power belongs to the people, take a nonviolent approach, take the middle way and respect humanity, and promote community autonomy. The party will serve the people, eliminate criminals for the people, and truly accomplish the four major goals: national security, political democracy, ethnic harmony, and common prosperity.

Opposition Party Establishes Unlicensed TV Station

Defies Ban

OW2011142694 Taipei Voice of Free China in English 0200 GMT 20 Nov 94

[FBIS Transcribed Text] The main opposition Democratic Progressive Party [DPP] Friday [18 November] inaugurated its unlicensed TV station, ignoring a crackdown warning by the Government Information Office [GIO]. GIO Director Jason Hu said his office will take firm measures against the DPP TV station.

Hu said the GIO has begun recording the program on the channel as a way to inspect the station. He added the GIO will take action in accordance with the law and that he has finished collecting the evidence and issued a pre-action warning.

At a press conference on Friday, DPP Chairman Shih Ming-te said his party sticks firmly to its position to break the ruling KMT [Kuomintang] party's monopoly over the electronic media. He vowed to respond to the GIO's crackdown with the greatest efforts possible in order to safeguard people's rights to achieve social justice. Shih stressed the DPP is willing to pay any price just to attain the goal.

Move Aimed at Breaking Monopoly

HK2111102294 Hong Kong AFP in English 0945 GMT 21 Nov 94

[FBIS Transcribed Text] Taipei, Nov 21 (AFP)—Taiwan's largest opposition party on Monday [21 November] launched a wireless television station, in defiance of a ban, in a move aimed at breaking the government's monopoly in the sector, a party official said. "The longtime ban against establishment of a new nationwide television network is unfair," said Chen Fang-ming, spokesman for the Democratic Progressive Party (DPP). "We feel we should end this unreasonable practice to restore the right of freedom of information to the public," he said.

Chen said the ban, in effect, partially silenced the opposition over the television airwaves. He added that the three existing television channels, which are either funded or partly owned by the government and the

military, did not give full and fair coverage to political groups other than the ruling Nationalist party.

The three channels were established more than three decades ago. Although the government has permitted the formation of cable television and radio stations, it has maintained a ban on wireless television networks.

Chen charged that the Nationalist party received 65 percent of coverage on television news broadcasts on existing channels, while the right-wing New Party had 20.5 percent of coverage, with the largest opposition DPP left with only 16.5 percent.

Government Information Office (GIO) officials said the authorities are studying proposals to permit new national networks, but warned that anyone defying the existing ban would be subject to heavy fines and seizure of illegal facilities.

Appreciation for Congresswoman's Support Expressed

OW2111100694 Taipei CNA in English 0808 GMT 21 Nov 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 21 (CNA)—President Li Teng-hui Monday [21 November] expressed deep appreciation to US Representative Eddie Bernice Johnson (D-TX.) for her staunch support of the Republic of China [ROC].

During a meeting at the presidential office, Li heartily welcomed Rep. Johnson's visit to Taiwan and praised the friendship she has shown to the ROC. Johnson endorsed House of Representatives Resolution No. 148 earlier this year, supporting Taiwan's bid to rejoin the United Nations.

Johnson told Li that she hopes the president can visit the United States in the future, saying that "The State of Texas, my own constituency, will give you the warmest-ever welcome upon your visit."

Johnson, who received a nursing education in her youth, is the only member of the US Congress with a nurse's licence.

Accompanying Johnson at the meeting with Li were Vice Foreign Affairs Minister Fang Chin-yen and Lynn Pascoe, director-general of the American Institute in Taiwan.

Li Comments on Joining World Groups at Convention

OW2111100894 Taipei CNA in English 0800 GMT 21 Nov 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Nov. 21 (CNA)—President Li Teng-hui Monday [21 November] called on

world Chinese traders to use their economic influence to boost friendship between Taiwan and world nations.

In a written message congratulating the opening of the 19th World Chinese Traders Convention in Taipei, Li urged overseas Chinese businessmen to form tight and comprehensive networks for information exchanges among themselves, and eventually establish solid Chinese economic alliances around the world.

Li also appealed to the world Chinese business leaders to work harder at boosting Taiwan's bid to join major world organizations such as the United Nations and the World Trade Organization.

Vice President Li Yuan-zu, who made a keynote speech at the opening ceremony, said changing world economic trends have created the widest-ever sky for Chinese in the 21st century. Chinese are expected to play major roles in creating the largest economic blocks in the world after the regional success in East Asia.

Vice Minister Ming Chen-hwa from the Overseas Chinese Affairs Commission who also spoke at the occasion, said the Republic of China [ROC] Government is striving to internationalize its economy and integrate Chinese economic powers from around the world in a bid to help invigorate economic development in various countries where Chinese reside.

Ming emphasized that Chinese businessmen have been playing key roles in regional integration in East Asia and in trade between the two sides of the Taiwan Strait.

Apart from being major investors, overseas Chinese traders will also act as catalysts for economic and political liberalization in Mainland China, Ming said.

The meeting, which will run until Wednesday at the Taipei International Convention Center, is being jointly sponsored by the Taipei-based Chinese National Federation of Industries, the General Chamber of Commerce of the Republic of China, and the Chinese National Association of Industry and Commerce.

About 900 government officials and business leaders from home and abroad took part in the meeting. Initiated in Tokyo in 1963, the meeting is held alternately in Taipei and another foreign city every two or three years.

Economics Minister Meets Philippine President

OW1911112794 Taipei CNA in English 0728 GMT 19 Nov 94

[By Timothy Sun and Y.C. Tsai]

[FBIS Transcribed Text] Manila, Nov. 18 (CNA)—Philippine President Fidel Ramos Friday [18 November] expressed his gratitude to Taiwan for its industrial park investment plan in Subic Bay, saying he was happy with the project's smooth development.

Ramos made the remarks while meeting with Taiwan's Economic Affairs Minister P.K. Chiang at Davao, Mindanao. Chiang arrived in Manila Friday for a five-day visit.

Chiang told the Philippine president that development on the Taiwan Industrial Park in Subic Bay is proceeding well and factory construction is scheduled to begin on June 1, 1995.

Commercial production is expected in 1996, he added.

Ramos said that he hopes to "showcase" the Taiwan Industrial Park in 1996 when the Asia-Pacific Economic Cooperation (APEC) leadership meeting is held in the Philippines.

Chiang said that he was in Davao to open a Taiwan agricultural and food processing machinery exhibition in a bid to boost agricultural development in the Philippines. Taiwan will provide U.S.\$5 million in loans to help finance the purchase of Taiwan-made farm machines by Philippine farmers and manufacturers, he elaborated.

"I will also make a fact-finding tour of Davao's investment climate in agriculture, husbandry, flower cultivation, food processing and aquaculture," he pointed out.

In addition, he said, he will officiate at a ceremony Saturday inaugurating a Taiwan-developed residence community in Davao, where 1,300 low-priced houses and related facilities were built by Taiwan's Oriental First Co.

Ramos, emphasizing the importance of agricultural cooperation between Taiwan and the Philippines, noted that such cooperative ties will increase farm output and raise farmers' incomes in both countries.

Philippine Industry and Commerce Minister Rizalino Navarro also attended the meeting.

Council Predicts 9 Percent Export Growth in 95

OW2111081494 Taipei CNA in English 0723 GMT 21 Nov 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Nov. 21 (CNA)—Taiwan's exports are expected to reach US\$98.7 billion next year, hitting a growth rate of 9.02 percent, the Council for Economic Planning and Development's (CEPD) overall planning department said Monday [21 November].

The expected export value for 1995 represents an increase of US\$8.2 billion over expected 1994 tallies, a department official said.

The official made the prediction on the basis of the double-digit export growth registered in September and October and the recovering international economy.

Export growth during the first half of this year was less than 5 percent, and average export growth for the first ten months of this year was 7 percent, the official noted.

The CEPD also predicted a US\$7.2 billion trade surplus in 1995, which was up US\$200 million from the estimated figure for 1994. It also represents the first upturn after three consecutive years of negative growth, the official noted.

The overall planning department set import growth for next year at 9.55 percent, higher than the average 8.1 percent import growth posted in the first ten months of this year.

Institute Improves Skybow II Missile

OW1911031494 Taipei LIEN-HO PAO in Chinese 7 Nov 94 p 4

[By reporter Lu Te-yun]

[FBIS Translated Text] A Chungshan Institute of Science and Technology official said that following the deployment of the Skybow I missiles, the ongoing miniaturization and improvement of the Skybow II, whose appearance is almost identical to that of the Skybow I but whose range is increased "about one time" that of its predecessor, will greatly expand the air defense system's depth.

Unlike the original Skybow II unveiled in September 1989 that was a two-stage solid fuel rocket, the new Skybow II is a one-stage solid fuel rocket. As the new Skybow II is much smaller and shorter than the original and about the same as the Skybow I, there is no need to develop a special launcher for it. The down-sized Skybow II's range is the same as the original.

The same official said it is like extending the Skybow I's range. He said this was made possible mainly by miniaturizing electronic components of the guidance system, thus saving space to make room for more solid fuel. According to the official, the Skybow II's range is "more than 100 kilometers" compared to 60 km of Skybow I.

In addition, with the further advancement of related technologies between the development of the Skybow I and II, the Skybow II is faster than Skybow I, its electronic and antielectronic jamming capabilities have been enhanced, and reliability and automation have also been improved.

The official said that, as the Skybow I and II missiles were originally designed to intercept airplanes, they were not provided with an "antitactical ballistic missile" function. However, to provide the Skybows with "anti-missile" capability, the Chungshan Institute of Science and Technology plans to improve the fire-control and tracking and maneuverability capabilities of the Skybow missile system so that it will be able to make early detection of ballistic missiles flying at high altitude and at ultrasupersonic speed and to intercept the incoming missiles in midair.

The same official also said that with the help of radar "electronic scanning" to search and monitor the targets and with the friend-or-foe identification device, the Skybow air defense missile system could simultaneously track over 100 targets. Following an evaluation of the

threat of incoming targets, the tactical center decides on attacking several targets that pose the greatest threat. Although the Skybows require flare radar to fire at targets, they can attack multiple targets at the same time because they can handle multiple tasks.

Hong Kong

Zhao Jihua Named Sino-British Joint Liaison Envoy

OW2011104594 Beijing China Radio International in Mandarin to Asia 0900 GMT 18 Nov 94

[From the "Observation Tower" column of the "Rainbow in the Sky" program]

[FBIS Translated Text] Listeners and friends, Zhao Jihua, former director of the Foreign Ministry's Hong Kong and Macao Affairs Office, will replace outgoing Ambassador Guo Fengming and become the chief Chinese representative to the Sino-British Joint Liaison Group. He is the third chief Chinese representative since the establishment of the Sino-British Joint Liaison Group in 1985. On the eve of leaving Beijing for Hong Kong, he told this reporter: I feel very honored to be able to directly participate in the cause of helping return Hong Kong to the motherland. At the same time, I also feel that this is a heavy responsibility and we are pressed for time.

Zhao Jihua said: I will do my best to cooperate with British colleagues and successfully accomplish the tasks entrusted to the Sino-British Joint Liaison Group by the Sino-British Joint Declaration. Although there are many difficulties ahead, I am cautiously optimistic about the Joint Liaison Group's work. Basically speaking, I have great confidence in ensuring Hong Kong's smooth transition, prosperity, and stability.

Listeners and friends, Zhao Jihua is a weathered diplomat who is familiar with Hong Kong and Macao affairs. In the late 1950's, after graduating from the Beijing Foreign Languages Institute's English Language Department, he began to work for the Foreign Ministry. He has been the deputy director of the Foreign Ministry's American and Oceanian Affairs Department; director of the Institute of International Affairs' Research Center; deputy director of the Foreign Ministry's Hong Kong and Macao Affairs Office; and counselor, envoy, and minister-councillor of the Chinese Permanent Mission to the United Nations. He also has participated in Sino-Portuguese talks on Macao issues and in Sino-British talks on 1994-1995 Hong Kong election issues. He is a diplomat with more than 30 years of experience.

On the Sino-British Joint Liaison Group's working conditions, current tasks, and missions, Zhao Jihua said: According to Appendix II of the Sino-British Joint Declaration on Hong Kong Issues, the main duties of the Sino-British Joint Liaison Group are conducting consultations on the implementation of the Sino-British Joint Declaration and discussing relevant issues concerning transition of political power in 1997.

He said: Appendix II of the Sino-British Joint Declaration clearly lists issues that need examinations before and after the transition. With regard to first phase

issues—ensuring the continuity and development of Hong Kong's foreign economic relations and relevant international rights and obligations, the Sino-British Joint Liaison Group has made great progress in this field. The major issues of the second phase are to ensure Hong Kong's smooth transition and a successful handing over of political power. So far, the transition period is only less than three years. The Joint Liaison Group's future tasks are heavy and many problems still exist.

Listeners and friends, the new Chinese chief representative of the Sino-British Joint Liaison Group pointed out: Over a period of time, Britain's ways of dealing with Hong Kong's political affairs have harmed the foundation on which China and Britain cooperate in solving Hong Kong issues according to the Sino-British Joint Declaration. Britain's actions have also affected the work schedule of the Sino-British Joint Liaison Group. The Chinese side is not satisfied with the progress made by the Sino-British Joint Liaison Group. China attaches great importance to the Joint Liaison Group's role and hopes it will accomplish its missions.

Listeners and friends, on current problems in Sino-British cooperation and solutions to these problems, Zhao Jihua said: Due to some obstacles that have emerged in Hong Kong political issues, the through-train does not exist any more. China has no choice but to start all over again. However, China hopes Britain will cooperate with China in a practical way in dealing with major issues concerning Hong Kong's economy and the Hong Kong people's livelihoods.

Zhao Jihua said: China hopes and has made great efforts to quicken the pace of the Sino-British Joint Liaison Group's work. The working pace mainly depends on working efficiency. Practice has proved that lack of sincerity, raising obstacles, and making trouble will produce no efficiency. If we are sincere, we can solve complicated problems and make progress.

Listeners and friends, although the Sino-British Joint Liaison Group will encounter some unavoidable difficulties in the future, Zhao Jihua is still cautiously optimistic about the Joint Liaison Group's work. Moreover, he hopes that Britain will earnestly cooperate with China to ensure a smooth transition of political power in Hong Kong.

McLaren Lecture on Territory's Future

HK2011071094 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Nov 94 p 17

[Extracts from speech by Sir Robin McLaren, former UK envoy to the PRC, on 19 November at a University of Hong Kong lecture series entitled: "The Future: Hong Kong and the Region"]

[FBIS Transcribed Text] The underlying Chinese position was and is that Hong Kong is an inalienable part of Chinese territory which happens to be "occupied" by a foreign power; that the timing of the resumption of the

"exercise of sovereignty" is entirely a matter for China; and that in the meantime no one but the Chinese Government can represent the interests of the vast majority of people in Hong Kong who are ethnically Chinese.

The Chinese view of Macao is effectively the same. Taiwan is different only to the extent that it is occupied not by a foreign power but by a dissident Chinese regime, with the consequence that the problem is regarded as one to be resolved between Chinese with no involvement by outsiders.

It follows from this basic Chinese approach that issues to do with Hong Kong tend, in Chinese eyes, to carry sovereignty implications and are correspondingly sensitive. Acutely sensitive indeed: in China, as elsewhere, patriotic passions are easily aroused.

To draw a crude and oversimplified analogy, the Chinese Government's attitude to its British counterpart since the signature of the Joint Declaration has been somewhat akin to that of a landlord towards a tenant who has been given notice to quit, a tenant who must be watched carefully to ensure that he makes no unauthorised alterations to the property in the unexpired portion of this tenancy and does not run away with any of the furniture and fittings.

It is a truism that if Chinese leaders were asked, in the Hong Kong context, to choose between sovereignty and prosperity they would put sovereignty first. But China does have a very strong national interest in the continued prosperity of Hong Kong and, therefore, in a smooth and successful transition. The point is perhaps best made by putting it in a negative way.

Let us suppose, for the sake of argument only, that the transition is uneven and rancorous, that preparations which ought to be made are left unmade, that the new Special Administrative Region (SAR) is born into uncertainty and confusion, and that Hong Kong is seen by the international community as a territory which has lost its lustre and begins to slide downhill. I say this, I repeat, for argument's sake: it is emphatically not what I expect to happen. But if it did, how would China benefit?

The answer is clear. Far from benefiting, China would lose, and lose enormously. In the first place she would lose many of the material advantages which she derives at present from Hong Kong (I have not forgotten that Hong Kong benefits equally from its current relationship with China—the relationship is symbiotic—but that is a different point).

More importantly, the blow to China's political prestige would be immense if Hong Kong's return to the motherland were to coincide with a sharp decline in its prosperity and economic importance. Leaving aside the international loss of face, the prospects for re-unification with Taiwan would suffer what would at best be a severe set-back.

The Taiwan connection has of course been acknowledged by Chinese spokesmen for many years. Indeed the "one country, two systems" concept was originally devised with Taiwan rather than Hong Kong in mind; and it was no more than an accident of history which led to its detailed application to Hong Kong first.

The British Government has its own role in preparing for a smooth transition and it is here that differences with China have arisen. In China's view, Britain's responsibility is limited to administering Hong Kong (to use the words of the Joint Declaration) "with the object of maintaining and preserving its economic prosperity and social stability"—an object in which, again as the Governor demonstrated in his policy address, the British and Hong Kong governments have not been entirely unsuccessful.

For its part, the Chinese Government has seen no need for changes in the systems in existence in 1984, and has taken the position that if any such changes are contemplated, China's agreement should be obtained before they are put into effect.

Not surprisingly, Britain and the Hong Kong Government have not seen their responsibilities in such a restricted light. Situated as it is in one of the most dynamic and fast-changing regions of the world, Hong Kong must adapt if it is to maintain its position as a regional leader. Adaptation sometimes requires legislative or institutional change. And there is the need to prepare for 1997 when the Basic Law will provide the framework for Hong Kong's further development.

Here I should like to say a word about elections. The Basic Law leaves open the strong possibility, to put it no higher, that members of the Legislative Council elected in 1995 should carry on over the 1997 barrier to constitute the first legislature of the SAR thus providing a valuable element of continuity—the so-called through train. Since the Joint Declaration and the Basic Law provide that the Hong Kong SAR should have a fully elected legislature when it comes into being, changes were needed to the laws under which the present, partially-elected Legislative Council was constituted. Clearly there was a requirement for consultations with China.

I had the privilege (if that is the right word) of leading the British team for 15 of the 17 rounds of talks which were held last year. Each side has given its account of the talks and of the reasons for their failure, and I do not propose to add to the British side's account. I would only make one point. Next year's Legislative Council elections will be the last to be held while the territory is under British administration. I find it very difficult to believe that any British government, whichever political party formed the government, and whoever was prime minister, foreign secretary or governor, would have been willing to hold those elections in a way which was not demonstrably fair and open, and acceptable in Hong Kong.

There is room for argument about what is fair and open—they are not absolute terms—but in the end a judgment had to be made.

The judgment that it would not be possible, in the time available, to reach agreement with China on electoral arrangements for 1995 and for this year's district board elections, was made with a heavy heart. It was made not because Britain's policy towards China and Hong Kong had changed, as critics like to allege, but precisely because it had remained the same. As I have explained, that policy is based on a strong sense of responsibility for and towards the people of Hong Kong, and a desire to secure the best possible future for them and Hong Kong.

Urges Compromise in Post-'97 Politics

HK2011065194 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Nov 94 p 2

[By Political Editor Danny Gittings]

[FBIS Transcribed Text] Former British ambassador to Beijing Sir Robin McLaren yesterday said Hong Kong residents should be prepared to sacrifice a small part of their freedoms in order to protect the remainder. Warning there would be "many difficulties" in China over the next few years, Sir Robin said Hong Kong's best interests lay in trying to avoid the attention of top mainland leaders after 1997—and that might mean not allowing anti-Beijing activities in the territory. "You sometimes need to be prepared to compromise three per cent of the freedoms you enjoy in order to be able to insure you keep the other 97 per cent," he said during a lecture at the University of Hong Kong.

Speaking on his first visit to the territory since retiring last summer, Sir Robin also hinted at some sympathy with critics of Governor Chris Patten's political reforms and strongly defended Britain's refusal to introduce democracy earlier. "The interests of Hong Kong people lie in ensuring that, after 1997, the issue of Hong Kong appears as infrequently as possible on the agenda of the State Council (of the Chinese Government)," he said. "What will ensure that Hong Kong is on the agenda of the politburo is if Hong Kong, as a territory after 1997, is seen to be used by groups which are engaged in the process of undermining the government in China."

Sir Robin declined to directly rebut former British foreign affairs adviser Sir Percy Cradock's argument that the political reforms were unwise so late in the transition. Instead he acknowledged the force of such a charge: "It is an argument and not one which can be dismissed lightly and I would not dismiss it lightly." But Sir Robin defended the decision to go it alone over political reform. He said although "made with a heavy heart", no British government could have gone ahead with arrangements for the 1995 polls that did not meet the Governor's baseline of being "fair, open and acceptable in Hong Kong".

And the former ambassador said there were signs the Sino-British rift was beginning to heal, although he warned it would take time. "I don't think it's going to be particularly easy, I don't think it's going to be particularly quick, but I very much hope the two governments can work together again," he said. "It will be slow, because of the passion aroused over the past couple of years, but it is happening."

Sir Robin insisted Britain had not introduced democracy in earlier decades because there was little local demand for it, and through fears it might destabilise the territory. "Hong Kong seemed to get on pretty well despite the absence of representative institutions," he said. "There was a concern that the introduction of elected politics would lead to the introduction of political parties who would be advocating the views of the two sides of the civil war in China. That process might easily get out of hand and disturb the delicate balance in Hong Kong and have very severe and unwarranted consequences."

Editorial Welcomes Thaw in Sino-UK Relations

HK2011071794 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Nov 94 p 16

[Editorial: "Qian Visit to UK Would Open Other Doors"]

[FBIS Transcribed Text] Already the first fruits of the recent agreement on airport funding are beginning to materialise. Last week saw the Sino-British Land Commission release enough land to build 10,500 new flats, and so ease the strain on housing supply, as part of an agreement to provide land for the Chek Lap Kok airport and its rail link.

Now it has emerged that Beijing has secretly told Britain that Chinese Vice-Premier and Foreign Minister Qian Qichen wants to visit London, and hopes to do so early next year. It is a trip that will be of immense symbolic importance, as it would be the first by a senior mainland official in more than two years.

But there should not be cause for rejoicing just yet. It is only the first tentative step toward a warming of relations between the two countries. As we make quite clear, the visit is far from definite—all Beijing has done is to indicate an interest in the visit taking place. Indeed it would not be surprising if China insists on further concessions from Britain, in the continuing negotiations over the two financial support documents that are needed to accompany the agreed minute on airport funding, before it even agrees to discuss dates.

Even if the visit does go ahead, no miraculous results should be expected. After all the two Foreign Ministers made little progress towards breaking the diplomatic deadlock when they last met less than two months ago at the United Nations in New York.

As former British Ambassador to Beijing Sir Robin McLaren noted yesterday, healing the rift caused by the

bitter row over political reform is going to be a long and painful process. Yet, for all this caution, the moves towards a London trip by Mr Qian are still an important—and highly positive—development. For more than two years, high-level contacts between Hong Kong's present and future sovereign powers have been restricted to the bare minimum.

Now that is beginning to change: as shown by China's lifting of its virtual ban on senior British Ministers visiting Beijing, and the welcome being extended to the President of the Board of Trade, Michael Heseltine.

That can only be good news for Hong Kong. Such contacts may not always yield much, but at least they help to create the right sort of atmosphere. And without them there will be even less chance of making progress on the many crucial issues still caught in the Joint Liaison Group logjam.

The only insect in the ointment for the territory is that there is still not the slightest sign that China will also agree to resume high-level contacts with Governor Chris Patten's administration. Lower down, the situation is more encouraging. Several of the government policy chiefs have been allowed to visit Beijing over the past few months, including Secretary for Planning, Environment and Lands Tony Eason last week. But that is not enough. During his visit, Mr Eason found himself in the ridiculous situation of not being able to respond to Beijing's proposal for a cross-border committee on infrastructure projects because he needed to seek instructions from his bosses in Hong Kong.

What is really needed is contacts at the highest-level. Rightly or wrongly, no one seriously expects the Governor to ever play any meaningful role in contacts with China again. Even Mr Patten now seems to recognise that, and is instead trying to carve out an alternative role for himself by selling Hong Kong overseas, and making such frequent trips that they are now beginning to attract critical attention.

However, Chief Secretary Anson Chan Fang On-sang falls into a different category. As China's top representative in the territory, Zhou Nan, proved, when the two were caught sharing a joke at a recent cocktail, that mainland officials do not find talking to her distasteful. Yet so far China has blocked her attempts at formal contacts with mainland officials. That should now change. If Mr Qian can stomach the embarrassment of visiting Britain, then surely it should not be too long before Mrs Chan is on the invitation list to visit Beijing.

Concessions on Airport Corporation Bill Noted

HK2011072394 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 20 Nov 94 p 2

[By Quinton Chan]

[FBIS Transcribed Text] China has agreed to the planned Airport Corporation's accounts not coming

under the scrutiny of the Director of Audit. A source close to the Chinese side said Beijing dropped this demand during recent talks on the airport after Britain promised to make several other changes to the proposed body's composition.

Director of Audit Brian Jenney had called for the right of monitoring, saying his remit to conduct value-for-money studies should be extended to government-owned bodies such as the Airport Corporation. But the White Bill on the Airport Corporation, published earlier this year, would limit Mr Jenney's access, so he could only examine matters of serious concern to the Government.

Legislators have been pushed for that provision to be changed. However, the source said Beijing no longer felt the audit issue was a priority since Britain had agreed to structure the Airport Corporation in a way that would give China a strong influence.

He also revealed the British agreed to eight out of 20 proposed amendments. These included renaming the body as the Airport Authority, and separating the positions of chairman and chief executive. However, the British have yet to agree to China's demand that the body's field of business be limited to "airport-related" activities.

Report Shows Bankruptcies Increase by 25 Percent

HK2011072594 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 20 Nov 94 p 1

[By David Ibison]

[FBIS Transcribed Text] The full commercial cost of Hong Kong's high inflation, spiralling rents and soaring costs has been dramatically demonstrated in the newly released annual report of the Official Receiver's office, which has revealed a 25 per cent increase in the number of Hong Kong companies going bust.

Official Receiver Robin Hearder said the figure was "too high" and added that the combination of an expensive local business environment, increased regional competition, the global recession, uncompetitive goods and bad management were responsible for the increase. But he added: "This increase should not cause any economic disquiet as it is less than one per cent of new companies incorporated, let alone business registrations, during this reporting period." The number of newly incorporated companies fell during the year from 61,685 to 60,301, indicating a slight drop-off in local entrepreneurial activity.

An economist at an international securities house said: "The basic message underlying these figures is it is increasingly difficult to do business in Hong Kong. Small businesses tend to be the first place to feel the effects of rising costs and high inflation before they filter through to the wider economy."

The report contains a range of disturbing statistics that highlight the plight of Hong Kong's small businessmen. It revealed a 17 per cent increase in new insolvency cases during 1993-94, with the number of summonses issued rising 58 per cent and court appearances increasing by 16 per cent. Debts recovered by the Official Receiver rose 20 per cent from \$28.5 million to \$34.1 million, reflecting the increased number of cases. Over the year, 12 bankrupts and 10 directors or officers of companies were arrested while a total of 68 company directors were declared bankrupt with estimated liabilities of about \$226 million, far short of their estimated assets of about \$11 million.

The garment and textile industry has been worst hit by the stringent economic situation, with 35 bankruptcies and 87 liquidations. The sector's estimated liabilities of \$645 million far outstripped estimated assets totalling only \$259 million. The construction and engineering industry was also particularly badly hit, with 16 bankruptcies and 20 liquidations and staggering liabilities of \$343 million compared to assets worth just \$29 million. The restaurant and canteen business also felt the effect of spiralling costs with 12 bankruptcies and 61 liquidations. Estimated liabilities totalled \$83 million while assets amounted to only \$11 million.

In total, there were 318 bankruptcies and 433 liquidations with estimated total liabilities of \$3.9 billion and estimated total assets of \$736 million, a huge \$3.14 billion shortfall. Mr Hearder said: "Competition is getting tougher, margins are going down and prices are going up."

Raid on Drug Ring Nets Heroin, 'Ice'

HK2011072794 Hong Kong SUNDAY HONGKONG STANDARD in English 20 Nov 94 p 2

[Unattributed report]

[FBIS Transcribed Text] A 15-year-old girl was among seven people arrested yesterday by Yau Tsim police in what they said was "a major" drugs distribution centre for Kowloon West.

Acting on a number of tipoffs, police stormed the first-floor Tsz Wan Shan building after they had been told drugs were being packaged and sold from the premises. Police seized 3.5 kilograms of fourth-grade heroin, 550 grams of the designer-drug "Ice" and an unspecified number of tablets. The seizure had a street value of around \$1.38 million police estimated.

The six women and one man arrested were held overnight for further questioning today.

Hong Kong To Introduce Japan's Mobile Phone System

OW2011115794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Nov 94 Morning Edition p 5

[By Michio Sakamura]

[FBIS Translated Text] Hong Kong, 18 Nov—Alexander Arena, chief, Office of Hong Kong Telecommunications Authority, officially released on 18 November a final report on policies concerning future mobile telecommunications systems including the next generation mobile telephone system. The report says that the Hong Kong Government has authorized European (DECT) system, the U.S. system, and Japan's personal handy phone system (PHS) as mobile phone systems to be used in Hong Kong. This is the first time a Japan-developed telecommunications system would be used overseas.

According to the report, the Telecommunications Authority will license up to four firms to inaugurate the new mobile phone business. In addition, the report says the firms will choose a mobile phone system that "is the lowest in price but of highest quality and contributes to improving Hong Kong's telecommunication service and technology," thus indirectly recommending the firms to choose PHS and DECT systems.

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